NEW ISSUE—BOOK-ENTRY ONLY

RATING: S&P: "AA" (stable outlook) (Insured Bonds)
Moody's: "A3" (stable outlook) (Underlying)
See "BOND RATINGS" herein

In the opinion of Co-Bond Counsel, interest on the 2018 Bonds (including any original issue discount properly allocated to a holder thereof) is excluded from gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the conditions described in "**TAX MATTERS – Federal Tax Exemption – 2018 Bonds**" herein. In the further opinion of Co-Bond Counsel, interest on the 2018 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the 2018 Bonds is included in computing a corporation's adjusted current earnings for taxable years beginning before January 1, 2018. Co-Bond Counsel is also of the opinion that, under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the 2018 Bonds are exempt from Pennsylvania personal property taxes, and the interest on the 2018 Bonds is exempt from Pennsylvania income tax and Pennsylvania corporate net income tax. For a more complete discussion see "**TAX MATTERS**" herein.

$24,155,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Philadelphia Project), Series of 2018

Dated: Date of Delivery
Interest Due: June 15 and December 15

Principal Due: June 15, as shown on inside front cover
First Interest Payment: June 15, 2018

The $24,155,000 College Revenue Bonds (Community College of Philadelphia Project), Series of 2018 (the "2018 Bonds") will be fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2018 Bonds. Purchasers of the 2018 Bonds will not receive certificates representing their ownership interest in the 2018 Bonds. So long as Cede & Co. is the registered owner, as partnership nominee of DTC, references herein to "Owner," "Registered Owner," or "Bondholders" shall mean Cede & Co., as aforesaid and shall not mean beneficial owners of the 2018 Bonds. Beneficial ownership in the 2018 Bonds may be acquired in denominations of $5,000 or multiples thereof, only under the book-entry-only system maintained by DTC, as more fully described herein.

Principal of, premium, if any, and interest on the 2018 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania, as trustee for the 2018 Bonds (the "Trustee"). So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made directly to Cede & Co. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Interest on the 2018 Bonds will be payable commencing on June 15, 2018, and semiannually thereafter on June 15 and December 15 of each year (each, an "Interest Payment Date").

The 2018 Bonds are subject to redemption prior to maturity as described under "REDEMPTION OF THE 2018 BONDS" herein.

The 2018 Bonds will be issued by the State Public School Building Authority (the "Authority") and will be secured by a Trust Indenture, dated as of May 1, 2018 (the "Indenture") between the Authority and the Trustee. The 2018 Bonds are limited obligations of the Authority, payable solely from the payments to be made by the Community College of Philadelphia (the "College") under a Loan Agreement, dated as of May 1, 2018 (the "Loan Agreement") between the Authority and the College. The payment obligations of the College under the Loan Agreement and the 2018 Note (as defined herein) are general obligations of the College that are not subordinated to any other debt obligation of the College and are not secured by the pledge or assignment by the College of any of its revenues or other property.

The 2018 Bonds are being issued by the Authority to: (1) finance and/or reimburse the College for costs of the renovation and improvement of its Library/Learning Commons facility located at its main campus; (2) refund the outstanding aggregate principal amount of the Authority's College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 (the "2017 Bonds"), purchased and held by PNC Bank, N.A.; and (3) to pay the costs and expenses of issuing the 2018 Bonds.

THE 2018 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF THE 2018 BONDS OR THE INTEREST THEREON; NOR SHALL THE 2018 BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF; NOR SHALL THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL OR INTEREST. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the 2018 Bonds maturing on June 15 of the years 2020 through 2038, inclusive (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

BAM

MATURITIES, AMOUNTS, RATES, PRICES/YIELDS AND CUSIPS
See Inside Front Cover

The 2018 Bonds are offered for delivery when, as, and if issued by the Authority subject to the approving legal opinions of Dilworth Paxson LLP, Philadelphia, Pennsylvania and Ahmad Zaffarese LLC, Philadelphia, Pennsylvania, Co-Bond Counsel, appointed by the Office of General Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, and for the College by its counsel, Fox Rothschild LLP, Philadelphia, Pennsylvania. Phoenix Capital Partners, LLP, Philadelphia, Pennsylvania, serves as Financial Advisor to the College and has acted as Financial Advisor in connection with the issuance of the 2018 Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania. It is expected that the 2018 Bonds will be available for delivery through DTC, on or about May 1, 2018.

PNC Capital Markets LLC **Wells Fargo Securities**

Official Statement Dated: April 24, 2018

$24,155,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Philadelphia Project)
Series of 2018

Dated: Date of Delivery
Interest Due: June 15 and December 15

Principal Due: June 15, as shown on below
First Interest Payment: June 15, 2018

2018 Bonds (Uninsured)

Maturity Date (June 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP*
2019	$2,185,000	4.000%	1.980%	102.229%	85732MW78

2018 Bonds (Insured)

Maturity Date (June 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP*
2020	$2,265,000	4.000%	2.060%	104.006%	85732MW86
2021	2,345,000	5.000	2.230	108.307	85732MW94
2022	2,460,000	5.000	2.350	110.350	85732MX28
2023	2,580,000	5.000	2.480	112.049	85732MX36
2024	575,000	5.000	2.630	113.318	85732MX44
2025	600,000	5.000	2.760	114.390	85732MX51
2026	630,000	5.000	2.890	115.174	85732MX69
2027	665,000	5.000	3.000	115.854	85732MX77
2028	695,000	5.000	3.110	116.301	85732MX85
2029	730,000	5.000	3.210	115.361 C	85732MX93
2030	770,000	5.000	3.290	114.617 C	85732MY27
2031	805,000	5.000	3.340	114.154 C	85732MY35
2032	845,000	5.000	3.390	113.693 C	85732MY43
2033	890,000	5.000	3.450	113.144 C	85732MY50
2034	935,000	5.000	3.510	112.597 C	85732MY68
2035	980,000	5.000	3.550	112.235 C	85732MY76
2036	1,030,000	3.625	3.820	97.463	85732MY84
2037	1,065,000	3.625	3.850	96.971	85732MY92
2038	1,105,000	3.750	3.870	98.329	85732MZ26

C – Priced to the first optional redemption date of June 15, 2028

* CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2018 Bonds and none of the Authority, the College or any Underwriter makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 Bonds as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2018 Bonds.

STATE PUBLIC SCHOOL BUILDING AUTHORITY
COMMONWEALTH OF PENNSYLVANIA

MEMBERS OF THE AUTHORITY

EXECUTIVE DIRECTOR
ROBERT BACCON

COUNSEL TO THE AUTHORITY
(Appointed by the Office of General Counsel)
BARLEY SNYDER LLP
Lancaster, Pennsylvania

CO-BOND COUNSEL
(Appointed by the Office of General Counsel)
DILWORTH PAXSON LLP
Philadelphia, Pennsylvania

AHMAD ZAFFARESE LLC
Philadelphia, Pennsylvania

COUNSEL TO THE COLLEGE
FOX ROTHSCHILD LLP
Philadelphia, Pennsylvania

FINANCIAL ADVISOR TO THE COLLEGE
PHOENIX CAPITAL PARTNERS, LLP
Philadelphia, Pennsylvania

UNDERWRITERS
PNC CAPITAL MARKETS LLC
Philadelphia, Pennsylvania

WELLS FARGO BANK, NATIONAL ASSOCIATION
Philadelphia, Pennsylvania

TRUSTEE
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Philadelphia, Pennsylvania

AUTHORITY ADDRESS
STATE PUBLIC SCHOOL BUILDING AUTHORITY
1035 Mumma Road
Wormleysburg, Pennsylvania 17043

COLLEGE ADDRESS
1700 Spring Garden Street
Philadelphia, Pennsylvania 19130

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

No dealer, broker, salesperson or other person has been authorized by the Authority or the College to give any information or to make any representations with respect to the 2018 Bonds, other than those contained in this Official Statement. Such other information or representations, if given or made, must not be relied upon as having been authorized by the Authority or the College. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2018 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof or the dates of the information contained herein.

The Authority has not prepared or assisted in the preparation of this Official Statement except for the statements under the captions "THE AUTHORITY" and "LITIGATION-The Authority." The Authority has reviewed only the information contained herein under such captions and approved only such information for use within the Official Statement.

Certain information contained in this Official Statement has been obtained from The Depository Trust Company and other sources that are believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or may be relied on as, a promise or representation by the Authority or the Underwriters. The information herein relating to the College and its affairs and condition has been provided by the College, and neither the Authority nor the Underwriters make any representation with respect to or warrants the accuracy of such information.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed a determination of relevance, materiality or importance. The Official Statement, including the appendices, must be considered in its entirety.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the Authority or the College include, among others, changes in economic conditions, mandates from other governments and various other events, conditions and circumstances, many of which are beyond the control of the Authority or the College. Such forward-looking statements speak only as of the date of this Official Statement. The Authority and the College disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority's or the College's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE 2018 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2018 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2018 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2018 Bonds or the advisability of investing in the 2018 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX D – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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OFFICIAL STATEMENT

$24,155,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Philadelphia Project), Series of 2018

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices hereto, provides certain information relating to the State Public School Building Authority (the "Authority") and the $24,155,000 aggregate principal amount of College Revenue Bonds (Community College of Philadelphia Project), Series of 2018 (the "2018 Bonds"). The 2018 Bonds are being issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), and a resolution duly adopted by the Authority on March 27, 2018 (the "Resolution"), and are secured by a Trust Indenture, dated as of May 1, 2018 (the "Indenture"), entered into by the Authority and The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania, as Trustee (the "Trustee").

The Authority is a body corporate and politic created in 1947 by the Act. Under the Act, the Authority constitutes a public corporation and governmental instrumentality, having perpetual existence, created for the purpose of acquiring, financing, refinancing, constructing, improving, furnishing, equipping, maintaining and operating buildings for public school and educational broadcasting facilities for use as part of the public school system of the Commonwealth of Pennsylvania (the "Commonwealth") under the jurisdiction of the Pennsylvania Department of Education (the "Department"). Under the Act, and Article XIX-A of the Public School Code, Act of July 1, 1985, P.L. 103, No. 31, Section 1 et seq., as amended (the "Community College Act"), the Authority also has for its purpose the acquiring, financing, refinancing, construction, improvement, furnishing, equipping, maintenance and operation of community college buildings.

The Community College of Philadelphia (the "College") was established in 1964, in accordance with the provisions of the Community College Act and general guidelines for the implementation of the Community College Act prepared by the Department and is currently sponsored by The City of Philadelphia, Pennsylvania (the "City"). The College is a public comprehensive, two year co-educational institution with its main campus located on an attractive 17-acre lot just north of the center of the City; the College also operates three (3) regional centers in other sections of the City. The College offers more than 80 associate degrees and academic and proficiency certificate programs. In fiscal year 2017-2018, the College's enrollment was 13,846, inclusive of both full and part-time credit and noncredit students. For further information about the College, see "COMMUNITY COLLEGE OF PHILADELPHIA" herein.

PURPOSE OF THE 2018 BONDS

The 2018 Bonds are being issued by the Authority to (1) finance and/or reimburse the College for costs of the renovation and improvement of its Library/Learning Commons facility located at its main campus (the "Library/Learning Commons Project" or the "Capital Project"); (2) refund the outstanding aggregate principal amount of the Authority's College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 (the "2017 Bonds"), purchased and held by PNC Bank, N.A.*; and (3) to pay the costs and expenses of issuing the 2018 Bonds (collectively, the "Project"). See "COMMUNITY COLLEGE FUNDING STRUCTURE – Pennsylvania Department of Education Project Approval" herein for a more detailed description of the Library/Learning Commons Project.

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* It is expected that the 2017 Bonds will be reissued for federal tax purposes on or before the issuance of the 2018 Bonds, as a result of a change in the interest rate provisions.

Estimated Sources and Uses of 2018 Bond Proceeds

The following is a summary of the estimated sources and uses of the proceeds from the issuance of the 2018 Bonds.

SOURCE OF FUNDS	**Total**
Par Amount	$24,155,000.00
Net Original Issue Premium	2,109,092.45
Total Sources of Funds	$26,264,092.45
USE OF FUNDS	
Amount to Refund the 2017 Bonds	$9,940,000.00
Project Fund Deposit	16,000,000.00
Cost of Issuance[1]	324,092.45
Total Uses of Funds	$26,264,092.45

[1]Includes legal, financial advisor, printing, rating, bond insurance premium, underwriters' discount, trustee, redemption fee and miscellaneous costs.

THE AUTHORITY

The Authority and the Pennsylvania Higher Educational Facilities Authority (PHEFA) share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The Authority serves as a conduit issuer for public school districts, community colleges, technical schools and intermediate units in the Commonwealth and has issued, and will continue to issue, multiple series of bonds to finance various projects. Each such series of bonds is or will be secured by instruments and collateral separate and apart from other series, including the 2018 Bonds.

Under the Act, the Authority consists of the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. The President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives may designate any member of his or her legislative body to act as a member of the Authority in his or her stead. The members of the Authority serve without compensation but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members. The powers of the Authority are exercised by a governing body consisting of the members of the Authority acting as a board.

The 2018 Bonds are being issued by the Authority on behalf of the College pursuant to the Act, the Indenture and the Resolution, which reflects the Authority's approval of the projects financed thereunder. The Authority has and will continue to issue bonds/notes for other eligible institutions and projects in the Commonwealth. None of the revenues of the Authority pledged to payment of the 2018 Bonds will be pledged to the payment of such other bonds/notes.

The following are key staff members of the Authority who are involved in the administration of the financing and projects:

Robert Baccon
Executive Director

Mr. Baccon has served as an executive with the Authority and PHEFA (collectively, the "Authorities") since 1984. He is a graduate of St. John's University with a bachelor's degree in management, and holds a master's degree in international business from the Columbia University Graduate School of Business. Prior to joining the Authority, Mr. Baccon held financial management positions with multinational U.S. corporations and was Vice President - Finance for a major highway construction contractor.

David Player
Comptroller & Director of Financial Management

Mr. Player serves as the Comptroller & Director of Financial Management of both Authorities. He has been with the Authorities since 1999. Prior to his present position, he served as Senior Accountant for both Authorities and as an auditor with the Pennsylvania Department of the Auditor General. Mr. Player is a graduate of the Pennsylvania State University and a Certified Public Accountant.

Beverly M. Nawa
Administrative Officer

Mrs. Nawa has served as the Administrative Officer of both Authorities since 2004. She is a graduate of Alvernia University with a bachelor's degree in business administration. Prior to her present employment, Mrs. Nawa served as an Audit Senior and an Accounting Systems Analyst with the Pennsylvania Department of the Auditor General.

THE 2018 BONDS

Description of the 2018 Bonds

The 2018 Bonds are being issued by the Authority on behalf of the College in the aggregate principal amount shown on the cover page hereof pursuant to the Act, the Resolution and the Indenture. The 2018 Bonds will be dated the date of delivery thereof and will bear interest from such date at the rates set forth on the inside front cover page hereof, payable semiannually on June 15 and December 15 of each year (each, an "Interest Payment Date"), commencing on June 15, 2018 (until maturity or prior redemption), and will mature on the dates and in the amounts set forth on the inside front cover page hereof. The 2018 Bonds when issued will be registered in the name of Cede & Co., as a nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2018 Bonds. While the 2018 Bonds are in the Book-Entry-Only System, references to the "owner" or the "registered owner" as described herein are to Cede & Co., as registered owner for DTC. Each beneficial owner of a 2018 Bond may desire to make arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The 2018 Bonds will be issued in fully registered form in denominations of $5,000 or any multiple thereof. While all of the 2018 Bonds are held in Book-Entry-Only form, payments thereon shall be made to Cede & Co., as holder thereof. See "BOOK-ENTRY-ONLY SYSTEM" herein. At all other times, the principal of the 2018 Bonds, and the premium, if any, payable upon redemption, are payable at the designated corporate trust office of the Trustee, and the interest thereon is payable by check mailed by the Trustee on each Interest Payment Date to the persons who were the registered owners of the 2018 Bonds on the registration books maintained by the Trustee, at the close of the fifteenth day of the calendar month (whether or not a business day) immediately preceding the month of an Interest Payment Date (a "Record Date"), irrespective of any transfer or exchange of any 2018 Bond subsequent to such regular record date and prior to such interest payment date, unless the Authority defaults in the payment of interest due on such Interest Payment Date. In the event of any such default, any defaulted interest will be payable to the person in whose name such 2018 Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the 2018 Bonds not fewer than fifteen (15) business days nor less than ten (10) business days preceding such special record date.

If the date for payment of the principal of, or interest on, the 2018 Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in any state in which the corporate trust office of the Trustee and any authorized paying agent is located, are authorized or required by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment

Use of Proceeds

Pursuant to a Loan Agreement, dated, as of May 1, 2018 (the "Loan Agreement"), the Authority will lend the proceeds of the 2018 Bonds to the College, which will use such proceeds as more fully described herein under "PURPOSE OF THE 2018 BONDS".

Transfer, Exchange and Registration of 2018 Bonds

Each 2018 Bond is transferable by the registered owner thereof in person or by his attorney duly authorized in writing or other legal representative at the office of the Trustee in Philadelphia, Pennsylvania, or such other offices as may be designated by the Trustee, but only in the manner, subject to the limitations and upon payment of charges provided in the Indenture, and upon surrender and cancellation of such 2018 Bond accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Trustee. Upon such transfer, a new 2018 Bond or 2018 Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and bearing the same rate of interest, will be issued to the transferee in exchange therefor at the earliest practicable time. In like manner each 2018 Bond may be exchanged by the registered owner or by his duly authorized attorney or other legal representative for 2018 Bonds of the same maturity and of authorized denomination or denominations in the same aggregate principal amount and bearing the same rate of interest. Any such transfer or exchange as described herein shall be made without charge, except for the payment of any taxes or other governmental charges relating thereto. No exchange or transfer shall be required to be made between the Record Date relating to such 2018 Bonds and the next Interest Payment Date nor shall the Trustee be required to issue, transfer or exchange any 2018 Bond after the giving of notice calling such 2018 Bond for redemption in whole or in part. The Authority, the Trustee and any paying agent of the Authority may treat and consider the person in whose name a 2018 Bond is registered as the absolute owner thereof for the purpose for receiving payment of, or on account of, the principal or redemption price thereof and the interest due thereon and for all other purposes whatsoever.

BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system have been obtained from DTC. The Authority (sometimes herein referred to as the "Issuer"), the College, the Financial Advisor, and the Underwriters make no representation as to the accuracy of such information.

DTC will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the 2018 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System. a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit bas agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments on the 2018 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2018 Bonds purchased or tendered, through its Participant, to Trustee, and shall effect delivery of such 2018 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2018 Bonds, on DTC's records, to Trustee. The requirement for physical delivery of 2018 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2018 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2018 Bonds to Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to Issuer or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A BONDHOLDER WITH RESPECT TO EITHER: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 BONDS; (3) THE DELIVERY OR THE TIMELINESS OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO THE OWNER OF THE 2018 BONDS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant or Indirect Participant with respect to:

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any 2018 Bonds;

(ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than the registered owner of a 2018 Bond, as shown in the Bond Register, of any notice with respect to any 2018 Bond, including, without limitation, any notice of redemption;

(iii) the selection by DTC or any DTC Participant or Indirect Participant of any person to receive payment in the event of a partial redemption of 2018 Bonds;

(iv) the payment to any DTC Participant or Indirect Participant or any other Person other than the registered owner of a 2018 Bond, as shown in the Bond Register, of any amount with respect to the principal of, redemption price, or interest on, any 2018 Bond; or

(v) any consent given by DTC as registered owner.

Prior to the discontinuation of the book-entry only system as described herein, the Authority and the Trustee may treat DTC and any successor securities depository to be the absolute owner of the 2018 Bonds for all purposes, including, without limitation:

(i) the payment of principal of redemption price or interest on the 2018 Bonds;

(ii) giving notices of redemption and other matters with respect to the 2018 Bonds;

(iii) registering transfers with respect to the 2018 Bonds; and

(iv) the selection of 2018 Bonds for redemption.

The Beneficial Owners of the 2018 Bonds have no right to a securities depository for the 2018 Bonds. DTC or any successor securities depository may resign as depository for the 2018 Bonds by giving notice to the Trustee and the Authority and discharging its responsibilities under applicable law. In addition, the Authority may remove DTC or a successor securities depository for any reason at any time. In such event, such 2018 Bonds shall no longer be restricted to being registered in the registration books of the Authority in the name of the securities depository or its nominee, but may be registered in the name of the successor securities depository or its nominee, or in whatever name or names the Depository Participants receiving such 2018 Bonds shall designate, in accordance with the provisions of the Indenture. See "Discontinuance of Book-Entry Only System" below.

Discontinuance of Book-Entry Only System

The book-entry only system for registration of the ownership of the 2018 Bonds may be discontinued at any time if: (i) after written notice to the Authority and the Trustee, DTC determines to resign as securities depository for the 2018 Bonds; or (ii) after written notice to DTC and the Trustee, the Authority determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Beneficial Owners. In any such event, unless the Authority appoints a successor securities depository, such 2018 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the Authority or the Trustee for the accuracy of such designation. Whenever DTC requests the Authority or the Trustee to do so, the Authority or the Trustee shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the 2018 Bonds.

THE AUTHORITY, THE COLLEGE AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2018 BONDS (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2018 BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2018 BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE 2018 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

REDEMPTION OF THE 2018 BONDS

Optional Redemption

The 2018 Bonds maturing on or after June 15, 2029 are subject to optional redemption prior to maturity, at the option of the Authority at the direction of the College, in whole or in part at any time and from time to time, on and after June 15, 2028, and if in part within a maturity by lot, in any order of maturity, at a redemption price of 100% plus accrued interest to the date fixed for redemption.

Extraordinary Optional Redemption

The 2018 Bonds will be subject to extraordinary redemption prior to maturity, at the option of the Authority at the direction of the College, in whole or in part at any time, in any order of maturity selected by the College, and within any maturity by lot, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount, plus accrued interest to the date of redemption, but only in the event that all or a portion of the projects financed or refinanced with the proceeds of the 2018 Bonds are condemned or sold under threat of condemnation, damaged or destroyed, and it is determined by the College that repair, replacement or reconstruction is not desirable, practical or financially feasible, from and to the extent of insurance proceeds, condemnation awards, or proceeds of sale in lieu of condemnation payable to the College are deposited for such purposes with the Trustee.

Notice of Redemption

So long as the 2018 Bonds are registered in the name of DTC or its nominee, the Trustee shall cause notice of any optional redemption of the 2018 Bonds to be made only to DTC or its nominee. If at any time the book-entry only system is discontinued with respect to the 2018 Bonds or if any 2018 Bonds are not registered in the name of DTC, its nominee or similar depository or nominee, the Trustee shall cause any notice of redemption to be mailed by first class mail, postage prepaid to the Owners of all the 2018 Bonds to be redeemed at the registered addresses appearing in the Bond Register. Each such notice shall be given in the name of the Authority and shall (i) be mailed not less than twenty (20) nor more than sixty (60) days prior to the redemption date, (ii) identify the 2018 Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the 2018 Bonds), (iii) specify the redemption date and the redemption price, and (iv) state that on the redemption date the 2018 Bonds called for redemption will be redeemable at the corporate trust office in Philadelphia, Pennsylvania of the Trustee or any alternative paying agent, that interest will cease to accrue from the redemption date, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the 2018 Bonds. No defect affecting any particular 2018 Bonds, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for the redemption of any other 2018 Bonds.

No further interest shall accrue on any 2018 Bond called for redemption after the redemption date if payment of the redemption price has been duly provided for and the Owners of such 2018 Bonds shall have no rights except payment of the redemption price and the unpaid interest accrued on such 2018 Bonds to the date fixed for redemption.

If at the time of mailing of any notice of redemption the Authority shall not have deposited with the Trustee monies sufficient to redeem all the 2018 Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and shall be of no effect unless such monies are so deposited. If such monies are not deposited by such date and time, the Trustee shall promptly notify the Owners of all 2018 Bonds called for redemption of such fact.

SOURCE OF PAYMENT AND SECURITY FOR THE BONDS

College Loan Payments

The College will deliver to the Authority a promissory note dated the date of delivery thereof (the "2018 Note"), evidencing its obligation under the Loan Agreement with respect to the 2018 Bonds. The College may from time to time hereafter deliver one or more additional promissory notes (and together with the 2018 Note, the "Notes") evidencing its obligation under the Loan Agreement with respect to

Additional Bonds (as defined in the Indenture). The 2018 Bonds and any Additional Bonds are limited obligations of the Authority, payable solely from (i) payments received from the College under the Loan Agreement and the Notes, and (ii) certain moneys held by the Trustee in funds established under the Indenture, if any. On the date of issuance of the 2018 Bonds, the Authority and the College will enter into the Loan Agreement pursuant to which the Authority will, among other things, lend the proceeds of the 2018 Bonds to the College.

Under the Loan Agreement, the College agrees to repay such loan in such amounts and at such times as will provide sufficient funds to meet the debt service requirements on the 2018 Bonds. The College will deliver the 2018 Note to the Authority evidencing its obligations under the Loan Agreement with respect to the 2018 Bonds. Pursuant to the Loan Agreement and the 2018 Note, the College shall pay to the Trustee, as assignee of the Authority, in immediately available funds for deposit into the Revenue Fund (as hereinafter defined) established under the Indenture on or before the first day of the months in which the principal of and/or interest on the 2018 Bonds are due, the amounts which, together with other funds available for such purpose, shall be sufficient to pay the principal of and interest on the 2018 Bonds becoming due on such date (the "Loan Payments"). Under the Loan Agreement, each Loan Payment date is fifteen (15) days prior to the applicable debt service payment date on the 2018 Bonds, thereby providing the Trustee with additional time prior to the due date thereof to notify the Secretary of the Department of the Commonwealth to withhold out of the College's appropriation due to the College from the Commonwealth, the debt service due on the 2018 Bonds. See "COMMUNITY COLLEGE FUNDING STRUCTURE – Direct Payment of Commonwealth Appropriations to Trustee" herein. If the Loan Payments, together with any amounts received by the Trustee from the Secretary of the Department of the Commonwealth, are not sufficient to pay the principal of and interest on the 2018 Bonds when the same becomes due and payable, it shall be an Event of Default under the Indenture. The payment obligations of the College under the Loan Agreement and the 2018 Note are general obligations of the College that are not subordinated to any other debt obligation of the College and are not secured by the pledge or assignment by the College of any of its revenues or other property. See "SUMMARIES OF CERTAIN PROVISIONS OF LOAN AGREEMENT AND THE INDENTURE – The Loan Agreement" herein.

The 2018 Bonds are secured under the Indenture by the assignment to the Trustee of all the right, title and interest of the Authority in and to the 2018 Note and the Loan Agreement (except for the Authority's right to payment of certain fees and expenses and to indemnification) including amounts payable thereunder. **Neither the Authority nor the College have taxing power.**

THE 2018 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF THE 2018 BONDS OR THE INTEREST THEREON; NOR SHALL THE 2018 BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF; NOR SHALL THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF PHILADELPHIA OR OF ANY POLITICAL SUBDIVISION THEREOF BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL OR INTEREST. THE AUTHORITY HAS NO TAXING POWER.

Additional Bonds

Upon compliance with the terms and obligations and conditions of the Indenture and the Loan Agreement, the Authority, at the request of the College, may issue Additional Bonds on parity with the 2018 Bonds (collectively, the "Bonds"), for any purpose permitted under the Act. In connection with the issuance of Additional Bonds, additional funds may be established under the Indenture for the benefit of the Bonds. For a further description of the conditions under which such Additional Bonds may be issued, see "SUMMARIES OF CERTAIN PROVISIONS OF LOAN AGREEMENT AND THE INDENTURE – The Indenture" herein.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2018 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy (the "Policy") for the 2018 Bonds maturing on June 15 of the years 2020 through 2038, inclusive (collectively, the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $515 million, $87.7 million and $427.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2018 Bonds or the advisability of investing in the 2018 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2018 Bonds, and the issuer and underwriter assume no responsibility for their content. BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2018 Bonds, whether at the initial offering or otherwise.

COMMUNITY COLLEGE FUNDING STRUCTURE

Local Sponsor Obligation

General: Under the Community College Act, all community colleges must be supported by a local sponsor, which in the College's case is the City of Philadelphia (the "Local Sponsor").

Capital Expenses: The Local Sponsor is obligated under the Community College Act to pay up to one-half of the College's annual approved capital expenses (including debt service). Funds from the City are received as a lump sum allocation to the College's operating and capital budgets and for the fiscal year ending June 30, 2017, and fiscal year ending June 30, 2018, the Local Sponsor contributed $29,909,207 and $30,409,207, respectively, to the College for capital and operating expenses. The College's remaining capital expenditures are funded through capital fees assessed upon non-city residents on a per credit basis and other revenues. The Commonwealth is also responsible for one-half (1/2) of the College's annual approved capital expenses. See "Commonwealth Obligation" below.

Taxing Power Regarding Community Colleges: The Community College Act authorizes, but does not require, the governing body of a local sponsor of a community college to levy taxes annually on subjects of taxation as prescribed by law in such school district or municipality for the purpose of establishing, operating and maintaining a community college. The tax levy authorized is in excess of and beyond the millage fixed or limited by law, subject to certain limiting provisions of the Community College Act. The College's Local Sponsor has not adopted or proposed to adopt such a tax. The College has no taxing power.

Commonwealth Obligation

General: The Community College Act provides for reimbursement by the Commonwealth of a portion of annual operating costs and a portion of annual approved capital expenses of community colleges.

Operating Costs: Operating revenues derived from the Commonwealth under the Community College Act are allocated in three categories: base funding, growth funding, and economic development (high priority) program funding pursuant to a statutory funding formula.

Base Funding. Base funding is equal to the previous year's base allocation from the Commonwealth, plus 75 percent (75%) of the percentage increase in Commonwealth funding for the year (e.g., if the Commonwealth allocation was increased by 4 percent, the base funding amount would increase by 3 percent (3%) or 75 percent (75%) of 4 percent (4%)). Pursuant to the Community College Act, base funding will not decrease from one year to the next.

Growth Funding. The remaining 25 percent of the increase to the Commonwealth appropriation is distributed among the colleges that experienced enrollment growth between the last two audited years. Each college's share is allocated proportionately based upon such college's FTE (defined below) change relative to the total Commonwealth community college FTE change. FTE is defined as the total number of: (1) all students taking more than twelve credits; (2) the number of credits taken by all part time students divided by twelve; and (3) the number of clock hours taken by non-credit students divided by 180. Annual FTEs are computed by totaling semester FTEs for all terms (including summer terms) and dividing by two. Colleges not experiencing growth between the two audited years do not have a reduction in funding, but receive no growth funding. The total of the base and growth funding which results from the above computations establishes the base funding amount used to compute the increase in the base funding for the next fiscal year.

Economic Development (High Priority) Program Funding. This third category of operating funding is for FTEs taught in economic development (high priority) program areas, and is based upon FTEs taught in priority program areas in the immediately preceding fiscal year. Each college, if applicable, is allocated a share of an economic development program pool of funds based upon its FTEs taught in priority programs relative to the total Commonwealth FTEs taught in priority program areas. An individual college's economic development program funding may fluctuate from year to year as a result of enrollment changes, program additions or deletions by the college, and the Commonwealth's determination of which programs and courses are currently high priority.

The Commonwealth has not followed such allocation formula since fiscal year 2010-11 and instead has made lump sum appropriations to community colleges. The College received $29,963,726 in fiscal year 2015-16, $30,732,457 in fiscal year 2016-17, and $30,732,457 in fiscal year 2017-18.

Capital Expenses: The Community College Act provides that the Commonwealth will pay to a community college on behalf of the local sponsor on account of its capital expenses (including debt service) an amount equal to one-half of such college's annual capital expenses from funds appropriated for that purpose to the extent that said capital expenses have been approved for such reimbursement by the Department. The Commonwealth provided capital funding in the amounts of $5,316,618 and $5,329,004 for fiscal years ended June 30, 2016 and 2017, respectively.

All community college subsidies in the Commonwealth are subject to appropriation by the General Assembly. Although the Constitution of the Commonwealth provides that "the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth", the General Assembly is not legally obligated to appropriate such subsidies and there can be no assurance that it will do so in the future or that the allocation formula pursuant to which the Commonwealth distributes such subsidies to the various community colleges throughout the Commonwealth will not be amended at any time. Moreover, the Commonwealth's ability to make such disbursements will be dependent upon its own financial condition. At various times in the past, the enactment of budget and appropriation laws by the Commonwealth has been delayed, resulting in interim borrowing by certain community colleges (but not the College) pending the authorization and payment of Commonwealth aid. Consequently, there can be no assurance that financial support from the Commonwealth for community colleges, either for capital projects or education programs in general, will continue at present levels or that moneys will be payable to a community college if indebtedness of such community college is not paid when due.

Direct Payment of Commonwealth Appropriations to Trustee

Provisions of the Community College Act require that, should any community college fail to make its required debt service payment with respect to a general obligation note such as the 2018 Note, the Secretary of Education is required to withhold from such community college out of any subsidy payment of any type due such community college from the Commonwealth, an amount equal to the debt service payment owed by such community college. Any amounts so withheld are payable to the Trustee under the Indenture. Based on the College's maximum annual debt service after issuance of the 2018 Bonds and the amount of Commonwealth operating and capital expense appropriations presently budgeted by the College for fiscal year 2017-18, the Commonwealth ratio of coverage of the College's maximum anticipated debt service would currently be approximately 3.52 times. Any such amounts that would be used pursuant to this section to make required debt service payments are subject to appropriation.

Pennsylvania Department of Education Project Approval

As discussed under the heading "Commonwealth Obligation" section above, the Community College Act provides that the Commonwealth will reimburse a community college up to one-half (1/2) of the annual cost on certain capital projects assuming that said capital projects have been approved by the Department.

In connection with the issuance of the 2018 Bonds, a portion of the proceeds will be used to renovate portions of the Mint and Bonnell Buildings to create a Library/Learning Commons. The Department has already approved the project and will provide 50% reimbursement of the annual debt service costs on borrowing of up to $9 million. The College will be responsible for 50% of the debt service of the first $9 million borrowed and 100% of the debt service of the amount of borrowing that exceeds $9 million. The College, as part of the Department's annual capital budget request process, will submit a request for additional reimbursement of debt service for the amount of borrowing on that project that exceeds $9 million. There is no guarantee the Department will approve such request for additional reimbursement, in which case the College will be responsible for 100% of the debt service on principal in excess of $9 million.

The Library/Learning Commons Project will address the changing landscape of library services and improve the student learning experience at the College. It will involve the reconfiguration of the library and learning labs which are within the historic Mint Building and adjacent spaces within the Bonnell Building. The space will be realigned to create an ideal learning environment, including: library instructional spaces, technology tools and support for students to access materials and prepare presentations, study group areas, quiet rooms, and bound volume storage and retrieval, tutoring services, multi-media and other technology rooms, administrative offices, and the relocation of the Faculty Center for Teaching and Learning. The project will include upgrades to HVAC systems and controls, lighting, furniture, fixtures and equipment as well as improving access and wayfinding.

SUMMARIES OF CERTAIN PROVISIONS OF LOAN AGREEMENT AND THE INDENTURE

The following are summaries of certain provisions of the Loan Agreement and the Indenture. These summaries do not purport to be and should not be regarded as complete statements of the terms of the Loan Agreement or the Indenture or as complete statements of the provisions summarized. Reference is made to the documents in their entirety, copies of which may be obtained from the Trustee, for a complete statement of the terms and conditions therein. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement and the Indenture.

The Loan Agreement

In connection with the issuance of the 2018 Bonds, the Authority will enter into the Loan Agreement with the College, pursuant to which the Authority will loan the proceeds of the 2018 Bonds to the College. The Loan Agreement requires the College to make loan repayments to the Authority in amounts sufficient to pay the principal or redemption price of and interest on the 2018 Bonds. The obligations of the College under the Loan Agreement will be evidenced by the 2018 Note. Pursuant to the Loan Agreement and the 2018 Note, the College shall pay to the Trustee, as assignee of the Authority, in immediately available funds for deposit into the Revenue Fund established under the Indenture on or before the first day of the months in which the principal of and/or interest on the 2018 Bonds are due, the amounts which, together with other funds available for such purpose, shall be sufficient to pay the principal of and interest on the 2018 Bonds becoming due on such date. Under the Loan Agreement, each Loan Payment date is fifteen (15) days prior to the applicable debt service payment date on the 2018 Bonds, thereby providing the Trustee with additional time prior to the due date thereof to notify the Secretary of the Department of the Commonwealth to withhold out of the College's appropriation due to the College from the Commonwealth, the debt service due on the 2018 Bonds. If the Loan Payments, together with any amounts received by the Trustee from the Secretary of the Department of the Commonwealth, are not sufficient to pay the principal of and interest on the 2018 Bonds when the same becomes due and payable, it shall be an Event of Default under the Indenture.

Source of Loan Payments. The Loan Payments due under the Loan Agreement and the 2018 Note are general obligations of the College, payable by the College from its general revenues from whatever source derived, but not secured by a pledge or assignment thereof. The College covenants to include in its budget for each fiscal year during the term of the Loan Agreement the amount of loan payments required to be paid to the Authority with respect to the Loan Agreement and the 2018 Note in such fiscal year.

Remedies for an Event of Default. If the payments by the College on the 2018 Note are insufficient in any fiscal year as the same is due and payable to provide for the Loan Payments and other sums due under the Loan Agreement, the Authority shall notify the Secretary of the Department of the Commonwealth of such failure to make the required Loan Payments and request that the Secretary withhold out of any appropriation due the College under the Community College Act an amount equal to the sum or sums owing by the College to the Authority, under the Loan Agreement and the 2018 Note, and to pay over to the Trustee, as sinking fund depository for the 2018 Note, the amount so withheld. See "COMMUNITY COLLEGE FUNDING STRUCTURE – Direct Payment of Commonwealth Appropriations to Trustee" herein.

Additional Covenants of the College. The College has covenanted in the Loan Agreement: (i) that it will proceed with diligence to undertake and complete the Capital Project substantially in accordance with the plans and specifications therefor as approved by the Department; (ii) to keep accurate books and records of account with respect to the Capital Project and to furnish annual audited financial statements to the Authority within 30 days of availability; (iii) not to make or permit any use, application, investment or reinvestment of the proceeds of the 2018 Bonds in connection with the 2018 Project which would cause the interest on the 2018 Bonds to be subject to Federal income tax or included in gross income for Federal income tax purposes or would cause the 2018 Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), nor will the College operate any of its facilities or permit or cause the same to be operated in any manner which would cause the interest on the 2018 Bonds to be subject to Federal income tax in the hands of the Owners of the 2018 Bonds or take or permit any action which will result in the 2018 Bonds becoming "private activity bonds" as defined in Section 141 of the Code; (iv) that not more than ten percent of the proceeds of the 2018 Bonds will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit, and that any proceeds so use shall comply with further limitations set forth in the Code; and (v) that it shall cooperate with the Authority and the Trustee in determining the amounts required to be rebated and in paying such rebates to the United States, and to pay or cause to be paid all amounts due in accordance with Section 5.3 of the Indenture.

Assignment of the Loan Agreement. The Loan Payments shall be paid by the College directly to the Trustee under an assignment by the Authority to the Trustee of the Loan Agreement and the 2018 Note and all amounts payable thereunder for the benefit and security of the Owners under the Indenture.

Unconditional Obligation. Payment of the principal and interest due under the 2018 Note and Loan Agreement and all other sums payable under the Loan Agreement is an absolute and unconditional obligation of the College. The payments are required to be made in full directly to the Trustee, as assignee, when due without abatement, diminution or deduction for any cause whatsoever, including, without limitation, destruction of the College's facilities, and without any defense, set-off, recoupment or counterclaim which the College may have or assert against the Authority, the Trustee, any Owner of Bonds or any other person.

Amendments of the Loan Agreement Without Bondholder Approval. The Loan Agreement may be amended without the approval of the Owners of the Bonds: (i) in connection with the issuance of Additional Bonds under the Indenture; (ii) to cure any ambiguity, defect or inconsistency or omission in the Loan Agreement or an amendment thereto; (iii) to grant to or confer upon the Authority any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; (iv) to reflect a change in applicable law including, without limitation, any change in the Code; or (v) to provide terms not inconsistent with the Indenture or the Loan Agreement; so long as such amendment does not adversely affect the Owners of the Bonds or reduce the security provided for the benefit of the Owners.

Amendments of the Loan Agreement With Bondholder Approval. The Loan Agreement may be amended or modified other than as listed in the paragraph above if approved by the Owners of a majority in aggregate principal amount of the Outstanding Bonds, except that the consent of the Owners of all Bonds Outstanding is required for any amendment, change or modification of the Loan Agreement that would permit the termination or cancellation of the Loan Agreement or a reduction in or postponement of the payments under the Loan Agreement or any change in the provisions relating to payment thereunder. If the Authority and the College request the consent of the Trustee to any such proposed amendment, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment to be given to Owners of the Bonds; provided that, prior to the delivery of such notice or request, the Trustee and the Authority may require a Favorable Opinion of Bond Counsel for certain Outstanding Bonds.

BAM Approval for Amendments. BAM's prior written consent is required for all amendments and supplements to the Loan Agreement with the exception of amendments to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents; to grant or confer additional rights, remedies, powers, authority or security upon the Owners of Insured Bonds; to add additional conditions, limitations and restrictions on the issuance of bonds under the Indenture, to add to the covenants and agreements of the Authority or the College, or to issue additional parity debt in accordance with the Indenture. Any amendment, supplement, modification to, or waiver of, the Loan Agreement that requires the consent of holders of the Insured Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

Additional Covenants. The College and the Authority agree not to enter into any contract that may impair or prejudice in any material respect the rights of BAM or the security for or source of payment of the Insured Bonds without the prior written consent of BAM. If an event of default occurs under any agreement pursuant to which any Obligation of the College has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Bonds or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under the Loan Agreement for which BAM or the Trustee, at the direction of BAM, shall be entitled to exercise all available remedies under the Loan Agreement and the Indenture, at law and in equity. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Bonds.

The Indenture

Limited Obligation of the Authority. **The 2018 Bonds are limited obligations of the Authority. Neither the general credit of the Authority nor the credit or taxing power of the United States of America, the Commonwealth of Pennsylvania, the County of Philadelphia or of any political subdivision thereof is pledged for the payment of the principal or redemption price of the 2018 Bonds or the interest thereon; nor shall the 2018 Bonds be deemed a general obligation of the Authority or an obligation of the**

United States of America, the Commonwealth of Pennsylvania, the County of Philadelphia or of any political subdivision thereof; nor shall the United States of America, the Commonwealth of Pennsylvania, the County of Philadelphia or of any political subdivision thereof be liable for the payment of such principal or interest. The Authority has no taxing power.

Pledge and Assignment of Revenues. The Authority, pursuant to the Indenture will pledge and assign to the Trustee, and grant to the Trustee a security interest in, all Loan Payments and other sums payable by the College under the Loan Agreement and the Notes, for the benefit and security of the registered Owners of the Bonds.

Revenue Fund. All Loan Payments by the College under the Loan Agreement and the Notes are required to be deposited in the revenue fund (the "Revenue Fund") established under the Indenture by the Trustee and shall be payable on or before the date of any required or permitted payment of principal or redemption price of or interest on the Bonds. Amounts in the Revenue Fund are required to be transferred by the Trustee at the times set forth in the Indenture to the various other funds established under the Indenture.

Debt Service Fund. The Trustee shall transfer to the debt service fund (the "Debt Service Fund") established under the Indenture monies from the Revenue Fund, amounts sufficient to make the interest payments, principal payments and redemption payments on the Bonds when due. The Trustee shall apply such monies on deposit in the Debt Service Fund to the payment of the principal and redemption price of and interest on the Bonds when due.

Project Fund. The Trustee shall establish a project fund (the "Project Fund"), and within the Project Fund a 2018 Account, into which shall be deposited the amount of proceeds of the sale of certain of the 2018 Bonds as shown on the Closing Statement for the 2018 Bonds for the purpose of paying certain of the Costs of the 2018 Capital Project. The monies in the Project Fund shall be held by the Trustee in trust, and secured and invested as provided in the Indenture, and, pending the application thereof to the Costs of the 2018 Capital Project, upon requisition of the Authority as provided in the Indenture, shall be subject to the lien and charge of the Indenture in favor of the Owners of the Bonds issued and outstanding hereunder.

Rebate Fund. Under the Indenture, a rebate fund is established (the "Rebate Fund"). The Trustee will deposit into the Rebate Fund, at the direction of the Authority, an amount of rebatable arbitrage as set forth in an arbitrage statement, which shall be prepared by the Authority ("Rebate Amount") annually and upon retirement of the last of the Tax-Exempt Bonds. The Authority will direct the Trustee to pay to the United States Government the Rebate Amounts at the times and in the amounts, if any, required by the Internal Revenue Code of 1986, as amended.

Additional Bonds. The College may have Additional Bonds issued on its behalf on parity with the 2018 Bonds. In connection with the issuance of Additional Bonds, additional funds may be established under the Indenture or another indenture for the benefit of the Bonds.

Investment of Funds. All monies on deposit in all of the funds and accounts established under this Indenture shall be invested and reinvested by the Trustee at the written direction of the College or the Authority in Qualified Investments (as defined below), and the Trustee shall incur no liability for investments made at the direction of the College or the Authority. In the absence of investment instructions from the Authority or the College, the Trustee will hold moneys under the Indenture uninvested. All interest, income and profits received by the Trustee in respect of Qualified Investments (defined below) held in the Project Fund prior to the completion of the Project shall be retained in or transferred to such Project Fund and, following the completion of such Project shall be retained in or transferred to the Revenue Fund. All interest, income and profits received by the Trustee in respect of Qualified Investments held in the Revenue Fund and the Debt Service Fund shall be credited against the payment obligations of the College under the Loan Agreement and the Notes.

As used herein, the term "Qualified Investments" means and includes any of the following, to the extent permitted under the applicable laws of the Commonwealth:

(a) Government Obligations;

(b) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:

- Export-Import Bank
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association
- U.S. Department of Housing & Urban Development
- Federal Housing Administration

(c) bonds, notes or other evidences issued by Fannie Mae, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Federal Farm Credit Bank or the Resolution Funding Corporation with remaining maturities not exceeding three years;

(d) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority or the College, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates;

(e) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P or "P-1" by Moody's, and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated, at the time of purchase, having a rating in the highest investment category granted thereby from S&P or Moody's, including without limitation, any money market mutual funds for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (ii) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates;

(g) obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, and (ii) at the time of purchase, rated by S&P and Moody's in either of their respective two highest rating categories (disregarding qualifications of such categories by symbols such as "+" or "-");

(h) Investment agreements with Qualified Financial Institutions;

(i) repurchase agreements with respect to Government Obligations issued by any bank, trust company or national banking association (which may include the Trustee and any of its affiliates) or by any government securities dealer or other financial services or similar institution (which may include any affiliate of the Trustee), provided that any such repurchase agreement must be (i) issued or guaranteed by an institution whose unsecured, long term senior debt obligations are, at the time of such issuance, rated by S&P and Moody's in either of their respective two highest rating categories (disregarding qualifications of such categories by symbols such as "+" or "-"), and (ii) secured by Government Obligations having a market value, determined weekly, at least equal to 102% of the repurchase price payable under the repurchase agreement; and investment agreements issued by any bank, trust company or national banking association (including the Trustee and any of its affiliates) or by any other financial services or similar institution, provided that any such investment agreement is (i) issued or guaranteed by an institution whose unsecured, long term senior debt obligations are, at the time of such issuance, rated by S&P and Moody's in either of their respective two highest rating categories (disregarding qualifications of such categories by symbols and as "+" or "-"), and (ii) secured by Government Obligations having a market value, determined weekly, at least equal to the principal amount invested under the investment agreement; and

(j) Pre-refunded Municipal Obligations.

For purposes of the above:

"Qualified Financial Institution" shall mean a bank, trust company, national banking association, insurance company or other financial services company whose unsecured long term debt obligations or insurance claims paying abilities (as applicable) are rated by a Rating Agency and, as to any such Rating Agency, in any of its two (2) highest Rating Categories.

"Rating Category" means, with respect to a particular investment or credit facility or to the provider thereof, any of the principal rating categories which are assigned by Moody's or S&P to investments, credit facilities or providers of the type in question; provided that distinctions within any such principal rating category (including distinctions identified by numerical symbols or symbols such as "+" or "-") shall be disregarded for purposes of any specific Rating Category or minimum Rating Category required under the Indenture.

Default and Remedies. The Act provides certain remedies to the Owners upon the occurrence of an Event of Default under the Indenture. In the case of Insured Bonds, upon the occurrence and continuance of a default or event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Insured Bonds or the Trustee or Paying Agent for the benefit of the Owners of Insured Bonds. No default or event of default may be waived without BAM's written consent. Additionally, upon the occurrence and continuance of a default or event of default, BAM shall be deemed to be the sole Owner of the Insured Bonds for all purposes under the Indenture, including purposes of exercising remedies and approving amendments. No grace period shall be permitted for payment defaults on any Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

Acceleration. Under the Indenture, if an event of default has occurred and is continuing, the Trustee may, and shall upon the written request at the holders of 25% in principal amount of Bonds outstanding, accelerate the payment of the principal of and interest due on the Bonds. BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

Legal Proceedings. Under the Indenture, if an Event of Default has occurred and is continuing, then the Trustee may, upon the written request of the holders of 25% in principal amount of the Bonds then Outstanding, and upon the receipt of indemnity to its satisfaction, shall enforce for the benefit of all Owners all of their rights by mandamus or by other suit, action or proceeding at law or in equity to require the College to provide sufficient funds to carry out the provisions of the Loan Agreement and to make its payment obligations under the Notes, and to require the Authority to carry out any other agreements with, or for the benefit of, the holders of the Bonds, and to perform its duties under the Act. These rights are limited in the case of Insured Bonds by BAM's rights as discussed herein and in the Indenture. For a more complete statement of rights and remedies of the Owners and of the limitations thereon, reference is made to the Indenture.

Maintenance of Books and Records. The Authority covenants that it will keep proper books of record and account in which complete and correct entries shall be made of all transactions of the Authority relating to the Bonds, and which, at all reasonable times, will be subject to the inspection of the Trustee or its representative duly authorized in writing.

Modifications and Amendments. Amendments to the Indenture are permitted without consent of Owners for certain purposes, including, but not limited to, the addition of covenants and agreements of the Authority, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of Owners are not adversely affected thereby), the curing of any ambiguity, defect or inconsistency in the Indenture, and the making of provision for matters which are necessary or desirable and which do not adversely affect the interests of Owners. Certain other modifications may be made to the Indenture, but only with consent of the Owners of not less than 66-2/3% in principal amount of Outstanding Bonds issued thereunder. The written consent of BAM is required for all amendments and supplements to the Indenture except for amendments to cure any ambiguity or formal defect or to correct inconsistent provisions in the transaction documents, to grant or confer upon the Owners of the Bonds additional rights, remedies, powers, authority or security, to add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the Indenture, to add to the covenants and agreements of the Authority in the Indenture, or to issue additional parity debt in accordance with the Indenture requirements. Any amendment of the Indenture that requires the consent of the Owners or adversely affects the rights or interest of BAM requires the prior written consent of BAM.

Defeasance of Bonds other than Insured Bonds. When the principal or redemption price (as the case may be) of all Bonds issued under the Indenture, together with the interest thereon, have been paid, or there shall have been irrevocably deposited with the Trustee any combination of monies, Government Obligations and other Qualified Investments secured by a pledge of Government Obligations which mature as to principal and interest in such amounts and at such times as will be sufficient to pay the principal or redemption price of the Bonds and interest thereon due or to become due to the date or dates of maturity or redemption, as well as all other sums payable hereunder by the Authority, the Indenture shall cease to be of further effect (except as to rights of registration of transfer and exchange; substitution of mutilated, destroyed, lost or stolen Bonds; rights of Owners of the Bonds to receive payments of principal or redemption price, as applicable, and interest when due from amounts deposited pursuant to Section 14.1 of the Indenture; the obligations of the Authority contained in Section 5.3 of the Indenture; and rights, obligations and immunities of the Trustee under the Indenture), and the Trustee upon written request of the Authority (and payment of all compensation and reimbursement of expenses then due and owing the Trustee) shall release the Indenture and the lien thereof and shall execute such documents to evidence such release as may be reasonably required by the Authority and shall turn over to the Authority or to such person, body or authority as may be entitled to receive the same all property pledged under the Indenture and any and all balances remaining in any fund or account established thereunder (except amounts deposited or reserved in any fund or account to pay the principal or redemption price of or interest on the Bonds, and amounts on deposit in the Rebate Fund which are to be applied as set forth in the Indenture). In determining the sufficiency of the monies, Government Obligations and other Qualified Investments deposited pursuant to Section 14.1 of the Indenture, the Trustee shall be entitled to receive, at the expense of the College, and may rely on a verification report of a firm of nationally recognized independent public accountants. The Trustee shall not be required to take any such action unless it shall have received an opinion of Bond Counsel, stating in substance that all conditions precedent provided in the Indenture for such release, cancellation and discharge have been satisfied. Thereafter, the Bonds shall be payable by the Authority solely from the property deposited and pledged pursuant to Section 14.1 of the Indenture.

Defeasance of Insured Bonds. In addition to the above, Insured Bonds under the Indenture are subject to additional requirements. The investments in the defeasance escrow relating to Insured Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under Commonwealth law and approved by BAM. At least three business days prior to any defeasance, the Authority shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel addressed to BAM regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds, a verification report addressed to BAM (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund.

Deposit of Funds for Payment of Bonds. If the Authority deposits with the Trustee monies or Government Obligations or Qualified Investments secured by a pledge of Government Obligations as provided under the Indenture sufficient to pay the principal or redemption price of any particular Bond or Bonds, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, all liability of the Authority with respect to such Bond or Bonds shall cease. Thereafter such Bond or Bonds shall be deemed not to be Outstanding under the Indenture and the Owner or Owners of such Bond or Bonds shall be restricted exclusively to the funds so deposited for any claim whatsoever with respect to such Bond or Bonds, and the Trustee shall hold such funds in trust for such Owner or Owners.

Third Party Beneficiary. BAM is recognized as and deemed a third party beneficiary of the Indenture and may enforce the provisions thereof as if it were a party thereto.

BONDHOLDERS' RISKS

The 2018 Bonds are limited obligations of the Authority and are payable solely from payments made pursuant to the Loan Agreement and from certain funds held by the Trustee pursuant to the Indenture. No representation or assurance can be given to the effect that the College will generate sufficient revenues to meet the College's payment obligations under the Loan Agreement.

Future legislation, regulatory actions, economic conditions, changes in private philanthropy, changes in the number of students in attendance at the College, competition or other factors could adversely affect the College's ability to generate revenues. Demand for attendance at the College may be subject to factors beyond its control, such as general economic and demographic levels, competition and public and private funding of financial aid programs. Neither the Underwriters nor the Authority has made any independent investigation of the extent to which any of these factors could have an adverse impact on the revenues of the College. Without limiting the foregoing, subsidies in the Commonwealth are subject to appropriation. See "COMMUNITY COLLEGE FUNDING STRUCTURE" herein.

Potential Effects of Bankruptcy

If the College were to file a petition for relief under the United States Code, as amended (the "Bankruptcy Code"), the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the College and its property. If the bankruptcy court so ordered, the College's property, including its revenues, could be used for the benefit of the College despite the claims of its creditors (including the Trustee).

In a bankruptcy proceeding, the College could file a plan for the adjustment of its debts which modifies the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, when confirmed by the court, would bind all creditors who had notice or knowledge of the plan and discharge all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible and has been accepted by each class of claims impaired thereunder.

Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and does not discriminate unfairly.

Enforceability of Remedies

The remedies available to Bondholders upon an Event of Default under the Loan Agreement are in many respects dependent upon judicial action which is subject to discretion or delay. Under existing law and judicial decisions, including specifically the Bankruptcy Code, the remedies specified in the Loan Agreement may not be readily available or may be limited. A court may decide not to order specific performance.

The various legal opinions to be delivered concurrently with the original delivery of the 2018 Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights.

No Liens on College Facilities or Security Interest in Revenues of the College

The College has not given or granted a mortgage lien or other security interest or encumbrance upon any facilities or revenues of the College to secure its payment obligations under the Loan Agreement.

Accreditation

The College is currently fully accredited by its regional accreditor, Middle States Commission on Higher Education. See "COMMUNITY COLLEGE OF PHILADELPHIA-Accreditation" herein.

Bond Insurance Risk Factors

In the event BAM becomes obligated to make payments with respect to the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds. The long-term ratings on the Insured Bonds are dependent in part on the financial strength of BAM and its claim paying ability. BAM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of BAM and of the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) for the Insured Bonds.

The obligations of BAM are general obligations of BAM and in an event of default by BAM, the remedies available to the Trustee may be limited by applicable bankruptcy law or other similar laws related to insolvency. In addition, BAM will have certain consent rights under the Indenture and the Loan Agreement, and upon the occurrence and continuance of an event of default thereunder BAM shall have the right to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Trustee for the benefit of the holders of the Insured Bonds.

Neither the Authority, the College nor any Underwriter has made independent investigation into the claims paying ability of BAM and no assurance or representation regarding the financial strength or projected financial strength of BAM is given.

Other Risk Factors

In the future, the following factors, among others, may adversely affect the revenues or operations of the College to an extent that cannot be determined at this time.

(a) Changes in the demand for higher education in general or for programs offered by the College in particular;

(b) Competition from other educational institutions;

(c) Decreases in student retention and graduation rates;

(d) Higher interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures;

(e) Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations;

(f) A decline in the market value of the College's investments or a reduction in the College's ability to generate unrestricted revenue from its investments;

(g) Reduction of funding support from donors or other external sources;

(h) Increased costs and decreased availability of public liability insurance;

(i) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs;

(j) Cost and availability of energy;

(k) An increase in the salaries and costs of health care benefits, retirement plans, or other benefit packages offered by the College to its employees;

(l) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, which might damage the facilities of the College, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue; and

(m) Factors that may adversely affect the College's reputation and image, including, but not limited safety and security incidents (including data breaches).

COMMUNITY COLLEGE OF PHILADELPHIA

Introduction

Founded in 1964, the College opened for classes in 1965 in a former department store at 34 S. 11th Street in the City while a permanent campus was being sought. In 1971, the College acquired from the federal government the building at 1700 Spring Garden Street that had housed the Third Philadelphia Mint and eventually would become the centerpiece of the College's permanent campus.

Even with renovations of the Mint underway, classes began in 1973. The College maintained both the 11th Street and 17th Street campuses until the spring of 1983 when all of the main campus facilities, including the West and Bonnell buildings, were built and consolidated into the permanent campus at 17th Street. The Center for Business and Industry located at 18th and Callowhill Streets was completed in January 2003.

The Winnet Student Life Building and Gymnasium, at 17th and Buttonwood Streets, was completed and formally dedicated in September 1991.

A major renovation and expansion of the College's Main Campus began in summer 2009. A new Pavilion Building housing the Culinary Arts and Hospitality Management programs, new student and staff dining services, the Welcome Center and portions of the new College Bookstore opened in fall 2011. Renovations to portions of the Bonnell, Mint and West buildings began in January 2010 and were completed in fall 2014.

The West Regional Center located at 4725 Chestnut Street opened in 1992, the Northeast Regional Center located at 12901 Townsend Road opened in 1994 and the Northwest Regional Center located at 1300 W. Godfrey Avenue opened in 1994.

The College broke ground for a new building at the Northeast Regional Center in April 2009, and the new building was completed in summer 2010. Renovations to the existing Northeast building were completed in December 2010.

Mission Statement

Community College of Philadelphia is an open-admission, associate-degree-granting institution which provides access to higher education for all who may benefit. Its programs of study in the liberal arts and sciences, career technologies, and basic academic skills provide a coherent foundation for college transfer, employment and lifelong learning. The College serves Philadelphia by preparing its students to be informed and concerned citizens, active participants in the cultural life of the City, and enabled to meet the changing needs of business, industry and the professions. To help address broad economic, cultural and political concerns in the city and beyond, the College draws together students from a wide range of ages and backgrounds and seeks to provide the programs and support they need to achieve their goals.

The College seeks to create a caring environment which is intellectually and culturally dynamic and encourages all students to achieve:

- Greater insight into their strengths, needs and aspirations, and greater appreciation of their own cultural background and experience
- Increased awareness and appreciation of a diverse world where all are interdependent
- Heightened curiosity and active interest in intellectual questions and social issues
- Improved ability to pursue paths of inquiry, to interpret and evaluate what is discovered, and to express reactions effectively
- Self-fulfillment based on service to others, preparation for future work and study, and enjoyment of present challenges and accomplishments

Vision Statement

To serve Philadelphia as a premier learning institution where student success exemplifies the strength of a diverse, urban community.

Core Values

Integrity

The College places fairness and honesty at the center of all of its policies and operations. The College aims to uphold the highest ethical standards in striving for academic and professional integrity in all that it does. It strives to be both responsible and responsive in utilizing resources to meet student and community needs.

Academic Excellence

The College sets, expects and maintains high educational standards consistent with the needs of the students, region and changing workforce. Faculty and staff are committed to providing high-quality, innovative, and flexible educational opportunities and services in an accessible, student-centered environment.

Diversity

The College embraces and understands the importance of providing an education and environment that promotes the uniqueness of students, faculty, staff and the communities that it serves. The College affirms that diversity is crucial to a democratic society, as it enriches the educational experience and celebrates differences among individuals.

Commitment to Teaching and Learning

The College functions as a learning organization, continually adapting, improving and evaluating its services to promote lifelong intellectual and personal development. The College believes that learning is rooted in both curiosity and inquiry, and is engendered by dedicated, creative and enthusiastic teaching which utilizes appropriate, optimal modes of delivery. Technology supports and serves the learning process.

Communication

The College is committed to effective, open and proactive communication and takes responsibility to listen, speak and write clearly to inform others and foster collaboration by using and respecting a matrix of communication channels.

Respect

The College promotes respect, civility and courtesy in its day-to-day interactions with others. The College seeks to instill respect for and appreciation of members of the College community, its facilities, its environment and its community.

Academic Programs

The College offers more than 80 associate degrees and academic and proficiency certificate programs. Recent graduates continue to strengthen Philadelphia's local economy and workforce; 64 percent (64%) are employed in the City, and 91 percent (91%) work in the Greater Philadelphia region. The College enables students to embark on a path to a bachelor's degree program, with transfer agreements and partnerships to assist in the transition.

Below is a list of current academic offerings of the College:

Health Care

Degree Programs
Dental Hygiene
Diagnostic Medical Imaging
Health Care Studies
Health Services Management
Medical Laboratory Technician
Nursing
Respiratory Care Technology

Certificate Programs
Clinical Assistant
Medical Insurance Billing
Ophthalmic Technician
Patient Service Representative

Science & Technology

Degree Programs
Applied Science and Engineering Technology
Biology
Chemistry
Computer Information Systems – Information Technology
Computer Science
Cybersecurity
Engineering Science
Mathematics
Network Technology Management and Administration

Certificate Programs
Biomedical Equipment Technology I
Biomedical Equipment Technology II
Computer Programming and Software Development
Cybersecurity I & II
Network and Systems Administration
Process Technology

Design, Construction & Transportation

Degree Programs
Architecture
Automotive Technology
Building Science
Construction Management
Facility Management
Management – Construction Option
Facility Management – Design Option
Interior Design

Certificate Program
Architectural Visualization
Automotive Service I
Automotive Service II
Energy Conservation

Business, Entrepreneurship & Law

Degree Programs
Accounting
Business (General)
Culinary Arts
Hospitality Management
Digital Forensics
Fire Science
Justice
Paralegal Studies
Technical Studies

Certificate Programs
Culinary Arts I
Culinary Arts II
Electronic Discovery
Entrepreneurship
Geographic Information Systems
Paralegal Studies

Creative Arts

Degree Programs
Art and Design
Digital Video Production
Music Performance
Photographic Imaging
Sound Recording and Music Technology
Theater

Certificate Programs
Acting
Digital Imaging
Digital Video Production
Technical Theater

Liberal Arts and Communications

Degree Programs
American Sign Language/English Interpreting (INT)
Communication Studies
English
International Studies
Liberal Arts
Liberal Arts – Honors Option
Mass Media
Religious Studies

Certificate Programs
Creative Writing

Education & Human Services

Degree Programs
Behavioral Health/Human Services
Education
Liberal Arts – Social/Behavioral Science
Psychology
Social and Human Service Assistant

Certificate Programs
Early Childhood Education
Human Services
Academic Certificate for Recovery and Transformation
Proficiency Certificate for Recovery and Transformation

Accreditation

The College is accredited by the Middle States Commission on Higher Education of the Middle States Association of Colleges and Schools. This commission granted initial accreditation in May 1968, and the latest reaffirmation occurred in 2016. The College's Periodic Review Report is due June 1, 2020. The Department has authorized the College to award the Associate degree, with specific programs receiving national accreditation.

The following programs have gained further accreditation by the agencies named: Dental Hygiene Program (Commission on Dental Accreditation of the American Dental Association); Nursing Program (Accreditation Commission for Education in Nursing); Medical Laboratory Technology and Phlebotomy (National Accrediting Agency for Clinical Laboratory Sciences (NAACLS)); Diagnostic Medical Imaging (Joint Review Committee on Education in Radiologic Technology (JRCERT)); Respiratory Care Technology (Committee on Accreditation for Respiratory Care); and Paralegal Studies (American Bar Association, Council on the Section of Legal Education and Admissions to the Bar).

Governing Structure

Under a December 1963 City Council of Philadelphia ordinance, the College is governed by a Board of Trustees consisting of fifteen (15) members appointed by the Mayor of Philadelphia (the "Mayor"). The members of the Board are chosen from a list of persons proposed by a nominating panel composed of representatives of specified institutions and organizations of the City. The term of office for Board of Trustees members is six (6) years with the possibility of reappointment for subsequent terms.

Employees and Enrollment

The College employs or has employed the following number of employees in each of the fiscal years set forth below:

Employees	2013-14	2014-15	2015-16	2016-17	2017-18
Faculty (Full-time)	415	412	406	433	420
% Tenured	79.9%	81.8%	80.0%	78.3%	82.9%
Faculty (Part-time)	651	642	571	535	550
Administrators	190	195	204	206	205
Support Staff	267	276	266	265	252

Source: The College.

The College's full time, part-time and support staff employees (with the exception of the administration) are presently represented by the American Federation of Teachers ("AFT") under a contract which expired on August 31, 2016. The College and the AFT have exchanged proposals and have met multiple times. A state mediator has been appointed to assist the parties in reaching a settlement.

The College provides certain retirement benefits, including multiemployer contributory pension plans and postretirement health benefits, to its employees for which it has accrued liabilities as of June 30, 2017. See Note H (Employee Benefits) of the College's audited financial statements included in Appendix A hereto.

A retirement incentive option is offered to employees 63 or older, who have completed at least 20 years of full-time service, and whose combined age and years of service equal at least 80. This offer is in place for the three academic years from the time the employee first becomes eligible. During fiscal year 2017-18, a one-time special retirement incentive was offered to all full-time employees 65 years or older with 15 years of full-time service.

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The College's enrollment for each of the fiscal years set forth below is or was as follows:

Fiscal Year	Credit Headcount	Credit FTEs	Noncredit Headcount	Non credit FTEs
2012-13	28,218	15,115	6,427	719
2013-14	28,081	15,051	3,573	556
2014-15	27,934	14,857	3,342	508
2015-16	26,846	14,508	3,430	452
2016-17	25,570	13,659	3,347	474
2017-18 (projected)	24,720	13,349	3,593	497

Source: The College.

Budgetary Procedures

The College's annual operating and capital budget is set by the College's Board of Trustees. Revenues to support the budget primarily come from the Commonwealth, the Local Sponsor and student tuition and fees. Other smaller revenue sources include: investment income; net proceeds from auxiliary enterprises; and grants and gifts. For a more complete discussion of the Commonwealth and Local Sponsor funding, and the amounts received by the College in recent years, see "COMMUNITY COLLEGE FUNDING STRUCTURE" herein.

Student tuition is set by the College's Board of Trustees. Under the Community College Act, no more than one-third of the College's operating costs can be allocated to student tuition. Course fees, which range from $85 to $345, are charged in high cost areas such as the sciences and allied health disciplines. Student fees are not included in the limitation placed on the tuition level. Students who are residents of the sponsorship district (City of Philadelphia) do not participate in funding of the capital budget. A capital fee is charged to non-city residents only. The average cost per credit, excluding course fees for city residents in 2017-18, was $193. The average cost for city residents enrolled full-time for two semesters was $4,632. There was a $6 increase in tuition for 2017-18 after three consecutive years of no tuition increases.

Management of the College's approved budget, as set forth by the College's Board of Trustees, is the responsibility of the College's administration. The President, Vice Presidents, and other senior staff members maintain fiscal control in their respective areas of responsibility.

Accounting Matters

The College's financial statements are prepared in accordance with Government Accounting Standards Board (GASB) standards.

The College has adopted GASB Statements No. 34 and 35 (as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*), and No. 38, *Certain Financial Statement Note Disclosures.* These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a basis to focus on the College as a whole.

Potential purchasers of the 2018 Bonds should read the College's audited financial statements for the year ended June 30, 2017 in their entirety for more complete information regarding the College's financial position, results of its operations and changes in its accounting and reporting methods. The report of the College's independent accountants, together with the College's financial statements as of June 30, 2017 and the related notes to financial statements is included in Appendix A of this Official Statement.

In the opinion of the administration of the College, there has been no material adverse change in the financial condition of the College since June 30, 2017, the most recent date of audited financial statements.

Revenue and Expense Summary

The following tables set forth a summary of the College's unrestricted current fund revenues, expenditures and transfers for each of the fiscal years set forth, which are all derived from audited financial statements. For a more complete discussion of the College's financial position and results of operations at June 30, 2017 see "MANAGEMENT'S DISCUSSION AND ANALYSIS" included in the financial information included in Appendix A hereto.

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COMMUNITY COLLEGE OF PHILADELPHIA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(YEARS ENDED JUNE 30)

	2013	2014	2015	2016	2017
OPERATING REVENUES					
Student tuition	$ 58,228,544	$ 61,356,712	$ 61,189,199	$ 59,627,838	$ 56,351,236
Student fees	17,044,260	17,376,046	17,317,261	17,199,901	17,519,173
Less scholarship allowance	(43,269,962)	(43,395,057)	(46,533,705)	(45,185,037)	(40,878,907)
Net student tuition and fees	32,002,842	35,337,701	31,972,755	31,642,702	32,991,502
Auxiliary enterprises	1,775,612	1,671,145	1,785,603	1,740,088	1,737,187
Gifts	-	-	-	-	-
Other sources	158,047	166,024	196,423	87,288	61,962
Total operating revenues	33,936,501	37,174,870	33,954,781	33,470,078	34,790,651
Operating expenses (Note J):					
Educational and general:					
Instruction	66,436,316	66,209,598	65,046,544	66,017,583	65,509,173
Public Service	155,657	108,954	85,803	183,375	124,136
Academic support	17,246,555	17,492,238	18,372,027	18,823,708	18,880,265
Student services	21,913,072	22,810,350	23,493,959	25,142,084	24,404,673
Institutional support	26,216,369	25,229,115	24,370,565	24,429,407	24,853,707
Physical plant operations	12,741,867	12,585,835	13,335,791	14,913,188	15,012,576
Depreciation	10,423,443	10,490,412	9,697,798	8,860,741	8,204,104
Student aid	8,327,636	10,459,176	8,210,976	8,739,358	8,770,096
Auxiliary enterprises	559,068	770,012	831,206	567,452	811,482
Total operating expenses	164,019,983	166,155,690	163,444,669	167,676,896	166,570,212
Operating loss	$(130,083,482)	$(128,980,820)	$(129,489,888)	$(134,206,818)	$(131,779,561)
Non-operating revenues (expenses):					
State appropriations (Note K)	$ 28,239,824	$ 28,179,310	$ 28,631,589	$ 30,128,328	$ 30,868,302
City appropriations (Note K)	18,063,705	18,346,138	21,271,006	23,271,627	24,188,416
Federal grants and contracts	58,714,660	58,795,574	57,870,842	53,551,135	48,887,879
Gifts from the Community College of Philadelphia Foundation	2,809,152	100,000	140,848	225,000	834,700
State grants and contracts	7,190,874	6,591,410	7,343,322	8,278,313	8,126,317
Nongovernmental grants and contracts	1,119,415	1,703,933	1,521,465	1,456,249	1,528,328
Net investment income	332,708	695,167	364,680	815,452	74,971
Interest on capital asset-related debt service	(4,689,268)	(4,258,483)	(4,224,570)	(3,314,912)	(3,263,189)
Other non-operating revenues	379,512	324,356	1,087,072	2,579,409	378,200
Net non-operating revenues	112,160,582	110,477,405	114,006,254	116,990,601	111,623,924
(Loss) gain before other revenues, expenses, gains or losses	(17,922,900)	(18,503,415)	(15,483,634)	(17,216,217)	(20,155,637)
Capital appropriations	13,729,591	13,968,871	10,859,413	12,354,198	11,049,795
(Decrease) increase in net position	(4,193,309)	(4,534,544)	(4,624,221)	(4,862,019)	(9,105,842)
Net position, beginning, as previously reported	81,265,893	77,072,584	72,538,040	65,918,959	61,056,940
Change in accounting principle - GASB 68 adjustments (Note A)	-	-	(1,994,860)	-	-
Net position, beginning of the year, restated	81,265,893	77,072,584	70,543,180	65,918,959	61,056,940
Net position, ending of the year	77,072,584	72,538,040	65,918,959	$ 61,056,940	$ 51,951,098

Source: The College.

Debt Statement

The Table below shows the outstanding debt of the College as of April 24, 2018.

COMMUNITY COLLEGE OF PHILADELPHIA
DEBT STATEMENT
(As of April 24, 2018)*

	Gross Outstanding
College Revenue Bonds, Series of 2018	$24,155,000
College Revenue Bonds, Series of 2015	50,575,000
PNC Bank 2013 Term Loan	947,582
College Revenue Bonds, Series of 2008	3,110,000
TOTAL DEBT	$78,787,582

* Excludes capital leases and the 2017 Bonds that will be refunded by the 2018 Bonds.

Debt Service Requirements

The table below presents the debt service requirements on the College's outstanding debt, including debt service on the 2018 Bonds.

Fiscal Year	Total Other Debt*	Series of 2018 Principal	Series of 2018 Interest	Series of 2018 Subtotal	Total Requirements
2018	$ 7,451,857.27	$ -	$ 136,966.05	$ 136,966.05	$ 7,588,823.32
2019	6,980,800.51	2,185,000.00	1,120,631.26	3,305,631.26	10,286,431.77
2020	6,982,300.52	2,265,000.00	1,033,231.26	3,298,231.26	10,280,531.78
2021	6,978,301.31	2,345,000.00	942,631.26	3,287,631.26	10,265,932.57
2022	6,658,000.00	2,460,000.00	825,381.26	3,285,381.26	9,943,381.26
2023	6,656,500.00	2,580,000.00	702,381.26	3,282,381.26	9,938,881.26
2024	6,658,000.00	575,000.00	573,381.26	1,148,381.26	7,806,381.26
2025	6,656,750.00	600,000.00	544,631.26	1,144,631.26	7,801,381.26
2026	5,782,250.00	630,000.00	514,631.26	1,144,631.26	6,926,881.26
2027	5,782,500.00	665,000.00	483,131.26	1,148,131.26	6,930,631.26
2028	5,780,250.00	695,000.00	449,881.26	1,144,881.26	6,925,131.26
2029		730,000.00	415,131.26	1,145,131.26	1,145,131.26
2030		770,000.00	378,631.26	1,148,631.26	1,148,631.26
2031		805,000.00	340,131.26	1,145,131.26	1,145,131.26
2032		845,000.00	299,881.26	1,144,881.26	1,144,881.26
2033		890,000.00	257,631.26	1,147,631.26	1,147,631.26
2034		935,000.00	213,131.26	1,148,131.26	1,148,131.26
2035		980,000.00	166,381.26	1,146,381.26	1,146,381.26
2036		1,030,000.00	117,381.26	1,147,381.26	1,147,381.26
2037		1,065,000.00	80,043.76	1,145,043.76	1,145,043.76
2038		1,105,000.00	41,437.50	1,146,437.50	1,146,437.50
Total	$ 72,367,509.61	$24,155,000.00	$9,636,659.99	$ 33,791,659.99	$ 106,159,169.60

*Does not include the debt service on the 2017 Bonds being refunded by the 2018 Bonds, other than for a fiscal year 2018 payment being made by the College on May 1, 2018 at a rate of interest calculated based on the reissued 2017 Bonds.

Student Fees and Charges

The following table sets forth the fees, costs and charges paid by students of the College per semester, per credit hour, in each of the fiscal years set forth:

	2013-14	2014-15	2015-16	2016-17	2017-18
Tuition[1]	153	153	153	153	159
Tuition[2]	306	306	306	306	318
Tuition[3]	459	459	459	459	477
General College Fee (per Credit Hour)	4	4	4	4	4
Technology Fee (Per Credit Hour)	28	28	28	30	30
Total Annual Costs for Full-time Study[4]	4,440.00	4,440.00	4,440.00	4,440.00	4,632.00

[1]Per credit hour for Philadelphia resident students.
[2]Per credit hour for Pennsylvania resident students (outside the city of Philadelphia).
[3]Per credit hour for students out of state.
[4]Assumes 12 credit hours at the per credit hour for Philadelphia resident students plus activity and technology fees per semester.
Note: In addition to these fees, the College charges course fees in high cost course areas such as allied health and laboratory sciences. Course fees range from $85 to $345 per course.
Source: The College.

Financial Aid

Students of the College received the following grants, aid, loans and other financial aid in the fiscal years set forth below:

	2012-13	2013-14	2014-15	2015-16	2016-17
Total Grants and Scholarships	$51,476,613	$53,645,011	$54,533,234	$53,566,512	$49,087,934
Total Loans	42,430,511	41,548,421	41,888,351	38,206,211	34,048,302
Total Employment	737,432	577,268	686,616	930,500	726,315
Total Financial Aid	$94,644,556	$95,770,700	$97,108,201	$92,703,223	$83,862,551
Total Number of Students Receiving Financial Aid	18,806	19,133	19,139	17,730	16,364

Source: The College.

Future Capital Plans

The College regularly invests in maintaining, updating and renovating its capital facilities to meet its needs. Subject to Department approval of the College's $20,000,000 funding request for the project, the College currently intends to create a new automotive technology facility at the College's West Philadelphia Regional Center. The existing limited-capacity automotive technology center will be replaced with a larger facility at the existing location and on adjacent property that the College is negotiating to purchase. The College hopes to double enrollments in the automotive technology program and allow the College to offer additional programs not currently able to be offered in the existing automotive technology center. The estimated cost of the three story 64,000 square foot building is $27 million. To date, the College has received a commitment of $1.25 million from the Commonwealth's Redevelopment Assistance Capital Program ("RACP"). The College has applied for an additional $11,000,000 RACP grant and will be applying for an Economic Development Administration grant and a Community Redevelopment Act grant. The remaining costs will be funded from fundraising efforts and the issuance of additional debt of the College in an amount up to approximately $27,000,000 depending on the amount received from the additional requested grants and from fundraising activities. The College currently anticipates that potential leases to third party automotive retail chains along with the payment of fifty percent (50%) of the requested $20,000,000 by the Department will enable the College to make debt service payments on any debt incurred with respect to this project.

COMMUNITY COLLEGE OF PHILADELPHIA FOUNDATION

The Community College of Philadelphia Foundation (the "Foundation") was established in 1985. The Foundation serves as the private funding development arm of the College. The Foundation seeks to support the College's mission by bringing together community leaders who will serve as ambassadors of the College broadening the College's image within the community. The Foundation serves the College by creating partnerships with individuals, businesses, organizations, and foundations to raise private gifts for scholarships, instructional equipment, professional development, and capital needs of the College. The Foundation's total assets for 2017, 2016 and 2015 were $12.5 million, $12.2 million and $12.2 million, respectively. Total unrestricted net position for 2017, 2016 and 2015 for the Foundation was $1.6 million, $1.7 million and $1.7 million, respectively. The remaining net position is restricted based upon donor intent. The Foundation provided $0.7 million, $0.1 million and $0.1 million to the College from the proceeds of the Capital Campaign during fiscal year 2017, 2016 and 2015. **THE COMMUNITY COLLEGE OF PHILADELPHIA FOUNDATION IS NOT OBLIGATED FOR THE DEBT SERVICE PAYMENTS ON ANY BONDS, INCLUDING THE 2018 BONDS.**

CONTINUING DISCLOSURE

The College covenants to provide, pursuant to Rule 15c2-12(b) (the "Rule") promulgated by the Securities and Exchange Commission, for the benefit of the holders of the 2018 Bonds certain financial and operating data on an annual basis in accordance herewith. Under the terms of the Rule, the College (being an "obligated person" within the meaning of the Rule) agrees to provide such information as set forth in the form of Continuing Disclosure Agreement included as Appendix B hereto.

Existing Continuing Disclosure Filing History

During the previous five years, the College failed to timely file operating data pertaining to Tuition and Fees for fiscal years ended 2013, 2014 and 2015 with respect to certain outstanding obligations. In addition, the College failed to file an event notice with respect to a rating downgrade of Assured Guaranty Municipal Corp., the provider of bond insurance on the College's outstanding College Revenue Bonds, Series of 2007 which was downgraded on January 17, 2013 by Moody's from Aa3 to A2. The College has since posted all necessary information and related failure to file notices.

In other instances, the College timely filed required financial and operating information but inadvertently failed to properly associate such required financial and operating information with all specific relevant obligations.

The foregoing description of instances of non-compliance by the College with its continuing disclosure undertakings should not be construed as an acknowledgement by the College that any such instance was material. As of the date hereof, the College, to the best of its knowledge, is currently in compliance in all material respects with its previous undertakings with regard to continuing disclosure for prior obligations issued. The College has reviewed and updated its disclosure policies and procedures to ensure that the College remains in compliance with its continuing disclosure undertakings in the future.

LITIGATION

The Authority. There is no litigation of any nature now pending or, to the Authority's knowledge, threatened against it restraining or enjoining the issuance, sale, execution or delivery of the 2018 Bonds or in any way contesting or affecting the validity of the 2018 Bonds, the Indenture, or any proceedings of the Authority taken in connection with issuance or sale of the 2018 Bonds, the pledge or application of any moneys or security provided for the payment of the 2018 Bonds, or the existence or powers of the Authority.

The College. There is no litigation, currently pending or to the knowledge of the College threatened against it, which, individually or in the aggregate, will have a material adverse effect on its financial condition or which will affect the validity or enforceability of the Loan Agreement or the 2018 Note, or which in any way contests the existence or powers of the College.

LEGALITY FOR INVESTMENTS

Under the Act, the 2018 Bonds are securities in which all officers of the Commonwealth and its political subdivisions and municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, savings banks, trust companies, savings and loan association, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons who are authorized to invest in 2018 Bonds or other financial obligations of the Commonwealth may properly and legally invest any funds, including capital belonging to them or within their control, and the 2018 Bonds are securities which may properly and legally be deposited with and received by any Commonwealth and municipal officers or agency of the Commonwealth for any purpose for which the deposit of other bonds or other obligations of the Commonwealth is authorized by law.

TAX MATTERS

Federal Tax Exemption – 2018 Bonds

Co-Bond Counsel will deliver, concurrently with the issuance of the 2018 Bonds, their opinions to the effect that under existing statutes, regulations, rulings and court decisions, interest on the 2018 Bonds is excluded from gross income for federal income tax purposes. Interest paid on the 2018 Bonds will not be a specific preference item for purposes of calculating alternative minimum taxable income. Interest on the 2018 Bonds is included in computing a corporation's adjusted current earnings for taxable years beginning before January 1, 2018. In addition, interest on the 2018 Bonds may be included in a foreign corporation's effectively connected earnings and profits upon which certain foreign corporations are required to pay the foreign branch profits tax imposed under Section 884 of the Internal Revenue Code of 1986, as amended (the "Code").

Certain maturities of the 2018 Bonds have been offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount of such 2018 Bond. For federal income tax purposes, original issue discount on a bond accrues periodically over the term of the bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Prospective purchasers of the 2018 Bonds should consult their tax advisers for an explanation of the treatment of original issue discount.

Certain maturities of the 2018 Bonds have been offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holder's tax basis for the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Prospective purchasers of the 2018 Bonds should consult their tax advisers for an explanation of the treatment of original issue premium.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2018 Bonds. Ongoing requirements include, among other things, the provisions of Section 148 of the Code which prescribe yield and other limits within which the proceeds of the 2018 Bonds are to be invested and which may require that certain excess earnings on investments made with the proceeds of the 2018 Bonds be rebated on a periodic basis to the United States. The Authority and the College have made certain representations and undertaken certain agreements and covenants in the Indenture and the Loan Agreement and in the tax compliance agreement to be delivered concurrently with the issuance of the 2018 Bonds designed to ensure compliance with the applicable provisions of the Code. The inaccuracy of these representations or the failure on the part of the Authority or the College to comply with such covenants and agreements could result in the interest on the 2018 Bonds being included in the gross income of a holder for federal income tax purposes, in certain cases retroactive to the date of original issuance of the 2018 Bonds.

The opinions of Co-Bond Counsel assume the accuracy of these representations and the future compliance by the Authority and the College with their respective covenants and agreements. Moreover, Co-Bond Counsel has not undertaken to evaluate, determine or inform any person, including any holder of the 2018 Bonds, whether any actions taken or not taken, events occurring or not occurring, or other matters that might come to the attention of Co-Bond Counsel would adversely affect the value of, or tax status of the interest on, the 2018 Bonds.

Ownership of the 2018 Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the 2018 Bonds. Co-Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the 2018 Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the 2018 Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the 2018 Bonds should consult their tax advisers.

There can be no assurance that currently existing or future legislative proposals by the United States Congress limiting or further qualifying the excludability of interest on tax-exempt bonds from gross income for federal tax purposes, or changes in federal tax policy generally, will not adversely affect the tax status of the interest on, or the market for, the 2018 Bonds.

Co-Bond Counsel's engagement with respect to the 2018 Bonds ends with the issuance of the 2018 Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend the Authority or the owners of the 2018 Bonds ("Owners") regarding the tax-exempt status of the 2018 Bonds in the event of an audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2018 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2018 Bonds, and may cause the Authority or the Owners to incur significant expense.

Pennsylvania

Co-Bond Counsel will also deliver opinions to the effect that under existing law as enacted and construed on the date of such opinion, the 2018 Bonds are exempt from personal property taxes in Pennsylvania, and interest on the 2018 Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. However, under the laws of the Commonwealth as presently enacted and construed, any profits, gains or income derived from the sale, exchange or other disposition of the 2018 Bonds will be subject to Pennsylvania taxes within the Commonwealth.

The 2018 Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

PROSPECTIVE PURCHASERS OF THE 2018 BONDS SHOULD CONSULT THEIR TAX ADVISERS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE 2018 BONDS.

CERTAIN LEGAL MATTERS

Purchase of the 2018 Bonds by the Underwriters is subject to the receipt of the approving legal opinions of Dilworth Paxson LLP, Philadelphia, Pennsylvania and Ahmad Zaffarese LLC, Philadelphia, Pennsylvania, Co-Bond Counsel, whose approving legal opinion will be delivered to the Underwriters at the time of the delivery of the 2018 Bonds. Certain legal matters will be passed upon by Fox Rothschild LLP, Philadelphia, Pennsylvania, Counsel for the College, and for the Authority by Barley Snyder LLP, Lancaster, Pennsylvania. Certain legal matters will be passed upon for the Underwriters by its counsel, Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania.

FINANCIAL STATEMENTS

The financial statements as of June 30, 2017 and 2016 and for the years then ended included in Appendix A have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing in Appendix A hereto.

UNDERWRITING

The Underwriters have agreed to purchase the 2018 Bonds from the Authority, subject to certain conditions precedent, and will purchase all of the 2018 Bonds if any of such 2018 Bonds are purchased. The 2018 Bonds will be purchased for a purchase price of $26,180,820.80, equal to the par value of the 2018 Bonds plus a net original issue premium of $2,109,092.45, less an underwriters' discount of $83,271.65.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the 2018 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2018 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2018 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2018 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

BOND RATINGS

Moody's Investors Service has assigned its underlying municipal bond rating of "A3" (stable outlook) to this issue of 2018 Bonds. S&P Global Ratings ("S&P") is expected to assign its municipal bond rating of "AA" (stable outlook) to the Insured Bonds and will do so with the understanding that upon delivery of the Insured Bonds, the municipal bond insurance policy will be issued by BAM. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following respective address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and/or S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2018 Bonds.

Neither the Authority, the College nor any Underwriter has undertaken to maintain any particular rating on the 2018 Bonds.

CERTAIN RELATIONSHIPS

PNC Bank, National Association currently has and from time to time may have banking or other relationships with the College. PNC Capital Markets LLC is acting as an Underwriter of the 2018 Bonds. PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of The PNC Financial Services Group, Inc.

FINANCIAL ADVISOR

The College has retained Phoenix Capital Partners, LLP, Philadelphia, Pennsylvania, as financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the 2018 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

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MISCELLANEOUS MATTERS

The information set forth in this Official Statement has been compiled, prepared or obtained from the College and from other sources believed to be reliable. and, although not guaranteed as to the completeness or accuracy, is believed to be correct as of this date. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the 2018 Bonds, the Indenture, the Loan Agreement and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the College or the Financial Advisor upon request. The information assembled in this Official Statement is not to be construed as a contract with holders of the 2018 Bonds.

The Authority has no responsibility for the College's compliance with the Continuing Disclosure Agreement or for the contents of, or any omissions from, the financial information, operating data, or notices provided thereunder.

The references herein to the Indenture, the Loan Agreement, the 2018 Note, the Continuing Disclosure Agreement, the Act, the Community College Act and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof, copies of which will be furnished by the Authority upon request.

The information contained in this Official Statement should not be construed as representing all the conditions affecting the Authority, the College, or the 2018 Bonds.

The Authority has not assisted in the preparation of this Official Statement, except for the statements under the sections, captioned "THE AUTHORITY" and, as it relates to the Authority, "LITIGATION", herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the authorization, execution and delivery of documents required to affect the issuance of the 2018 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the 2018 Bonds. Accordingly, except as foresaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

STATE PUBLIC SCHOOL BUILDING AUTHORITY

By: /s/ Robert Baccon
Title: Executive Director

The College hereby approves the use and distribution of this Official Statement in connection with the issuance and the sale of the 2018 Bonds and hereby certifies that, as of the date hereof, the statements contained in this Official Statement relating to the College do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

APPROVED:

COMMUNITY COLLEGE OF PHILADELPHIA

By: /s/ Jacob Eapen
Title: Vice President for Business and Finance & Treasurer

APPENDIX A
COMMUNITY COLLEGE OF PHILADELPHIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2017 AND 2016
INDEPENDENT AUDITOR'S REPORT

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Financial Statements and Report of
Independent Certified Public Accountants

Community College of Philadelphia

(A Component Unit of the City of Philadelphia)

June 30, 2017 and 2016

Contents

GrantThornton

Report of Independent Certified Public Accountants

Grant Thornton LLP
Two Commerce Square
2001 Market St., Suite 700
Philadelphia, PA 19103
T 215.561.4200
F 215.561.1066
GrantThornton.com
linked.in/GrantThorntonUS
twitter.com/GrantThorntonUS

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

Report on the financial statements

We have audited the accompanying 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 years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the Community College of Philadelphia as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 15, the schedule of funding progress on page 61, the schedule of proportionate share of net pension liability on page 62 and the schedule of contributions on page 63, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary schedules on pages 73 to 75 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The statistical section and demographic statistics on pages 64 through 72 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 29, 2017, 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 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 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

September 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2017 and 2016

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 results for 2017 are compared to those for the 2016 fiscal year. The MD&A should be read in conjunction with the financial statements and accompanying notes which 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 be presented to focus on the College as a whole. The financial results of the Community College of Philadelphia Foundation (the Foundation) are reported as a component unit. These statements include the statistical reporting section in accordance with GASB Statement 44.

Financial and Institutional Highlights

- The 2017-2025 Community College Strategic Plan affirms the College's long-standing commitment to quality, access, affordability and upward mobility. The plan firmly plants student success at the center of all efforts, establishing the means for each student to achieve their goals. This focus extends beyond the classroom, encompassing connections with the community, the educational pathways of students before and after their time with us, the regional economy and workforce, and the overall environment and stability of the College.
- The College has begun the full-scale implementation of its Guided Pathways initiative that will provide students with a highly structured experience driven by providing students with clear academic program roadmaps, an intake process that clarifies students' goals and career direction, facilitates access into a program of study for students with developmental education needs and provides intentional advising coupled with progress tracking and individually-designed support, with the goal of improving student persistence and degree completion.
- Complementing the Guided Pathways efforts, the College is also implementing the expanded Starfish System with expanded tools of degree planner, predictive analytics, intervention inventories, risk scores, case management, communications, calendars, referrals and reporting. This system is a key technology-based solution that will increase intervention and communication initiatives that are essential to keeping students invested in their education and on track to degree completion.
- A new Academic Advising Department has been established. Currently there are nine (9) full-time advisors, with one additional hire planned for the Northeast Regional Center, who will work within the Guided Pathways model, incorporating academic planning with students in their first semester, implementing proactive outreach to students, and tracking students to monitor academic progress.
- The College completed a collaborative reorganization intended to make the College a national leader in student success and completion. This student-focused reorganization is designed to build capacity while supporting the College's strategic goals and continuing its longstanding commitment to affordable education and open success.
- A draft of a new comprehensive Facilities Master Plan developed from a collaborative effort by the College community with technical input from the consulting firm of Wallace, Roberts & Todd (WRT) was presented to the Board of Trustees in September 2017. This plan reviews the evolving facility needs of the College and supports its mission to provide students the knowledge and workforce skills necessary for the 21st century. It is closely aligned with the College's Strategic Plan and is designed to meet the expectations of a rapidly changing and competitive educational environment. This includes renovating and developing new facilities to accommodate state of the art 21st century programs and advanced technologies involving manufacturing, robotics, transportation and integrated health sciences, among others.

- The College has entered into a public private partnership with Radnor Property Group for a mixed-use facility at 15th and Hamilton Streets that will include student housing, market rate housing and retail space. The College will receive annual ground lease payments from the developer. The 75-year ground lease agreement and the operating agreement were signed on May 12, 2017. Demolition and construction activities have commenced, with the expectation that initial rental units will be available at the end of December 2018.
- The College's total credit hour enrollments decreased by 5.8% for the fiscal year, which mirrors Pennsylvania and national trends.
- Renovations to the College's biology labs on the Main Campus began in the summer of 2016. Five labs, the prep room, one classroom, student collaborative space and faculty offices have been completed. The final two labs will be completed by the end of December 2017.
- The College received $0.7 million of additional operating funds from the Commonwealth of Pennsylvania (the Commonwealth). An additional $0.9 million of funds was received from the City of Philadelphia (the City), of which $0.8 million was targeted for programming to assist neighborhood businesses; however, the $1.4 million allocation for capital purchases received in fiscal year 2015-16 was not continued.
- For the thirteenth consecutive year, a balanced budget was achieved.
- Net position decreased by $9.1 million or 14.9% primarily due to the one time settlement of $2.2 million received in 2016 and a $4.6 million or 8.7% decline in federal grants and contracts revenue.
- Operating revenues increased by $1.2 million or 3.9% due primarily to a decline in scholarship allowance of $4.3 million or 9.5%.
- Operating expenses decreased by $1.1 million or 0.7% due to lower benefit claims and supplies cost.
- Nonoperating revenues decreased by $5.4 million or 4.6% due to lower federal grants and contracts in 2017 and a one-time settlement received for a construction contract in 2016.

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 *Statements of Net Position* present 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 *Statements of Revenues, Expenses and Changes in Net Position* present 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 *Statements of Cash Flows* are reported on 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 for certain amounts reported in the financial statements.

Net Position

The College's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less accumulated depreciation and outstanding debt incurred to acquire those assets. The College uses these capital assets to provide services to students, faculty, and administration; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At June 30, 2017, the College's net position was $52.0 million, with assets of $222.9 million exceeding liabilities of $178.9 million. As a result of financial circumstances which contributed to asset growth, net position increased by $2.1 million in the 2017 fiscal year prior to recording the impact of the post-employment benefit liability. The change in net position after recording the post-employment benefit accrual was a negative $9.1 million. Unrestricted net position fell from a negative $42.6 million to a negative $52.7 million. Absent the cumulative impact of the post-employment benefit liability (GASB 45 and 68) reporting requirements, unrestricted net position would currently be at a level of $30.1 million. The other factor significantly reducing the unrestricted net position value was unfunded depreciation expense for 2017 in the amount of $8.2 million.

The negative unrestricted net asset position ($52.7 million) reflects the cumulative impact of the post-employment benefit expense accruals in the amount of $82.8 million.

Summary of Net Position

June 30,

	2017	2016	2015
		(In millions)	
Assets:			
Current assets	$ 38.2	$ 34.2	$ 31.5
Noncurrent assets:			
Capital assets net of depreciation	165.9	166.5	171.3
Bond proceeds available for campus construction	2.2	7.5	-
Other	16.6	16.8	16.2
Total assets	$ 222.9	$ 225.0	$ 219.0
Deferred outflows of resources	$ 8.2	$ 8.0	$ 0.5
Liabilities:			
Current liabilities	$ 27.3	$ 25.9	$ 27.2
Noncurrent liabilities	151.6	145.9	126.3
Total liabilities	$ 178.9	$ 171.8	$ 153.5
Deferred inflows of resources	$ 0.3	$ 0.2	$ -
Net position:			
Net investment in capital assets	$ 99.8	$ 98.8	$ 97.0
Unrestricted	(52.7)	(42.6)	(35.8)
Restricted:			
Expendable	4.9	4.9	4.7
Total net position	$ 52.0	$ 61.1	$ 65.9

Assets

Current assets increased by $4.0 million in fiscal year 2017. Net accounts receivable, accrued interest receivable and cash and cash equivalents increased, while short-term investments and other assets decreased.

Noncurrent assets decreased by $6.1 million. Bond proceeds available for campus construction decreased as the College completed renovation projects on the Main Campus in the West Building. These completed projects included the removal of the escalators and the installation of a new staircase in the West Building. The Biology labs renovations are still in progress. The College's capital assets as of June 30, 2017 net of accumulated depreciation were $165.9 million, a decrease of $0.6 million over the amount reported for 2016 of $166.5 million. The decrease in the net value of assets is related to the increase in accumulated depreciation, which exceeded the value of capital additions.

Liabilities

Total current liabilities increased by $1.4 million in fiscal year 2017. Accounts payable and accrued liabilities increased by $0.6 million primarily due to an increase in the year-end accrual for contingent liabilities. The College self-insures its employee medical plan. A reinsurance limit of $250,000 was in place for the 2017 fiscal year to cap institutional financial exposure for individuals with extraordinarily large claims in a policy year.

The current portion of long-term debt decreased by $0.5 million for the year. Payables to government agencies decreased by $0.9 million primarily due to Financial Aid processing more Commonwealth PHEAA funds prior to June 30.

The College's outstanding long-term debt was at $60.6 million as of June 2017, a decrease of $6.4 million from June 2016 reflecting principal payments made during the fiscal year. The present value of future post-retirement benefits other than pensions, projected to be paid to retired employees, were prepared as of July 1, 2015 for reporting as of June 30, 2017. The July 1, 2015 report included certain changes in actuarial assumptions; the amount of the liability increased by $11.2 million in fiscal year 2017. The College has elected to phase in the reporting of the post-employment benefit liability over a 30-year period and to continue to fund the costs of the post-retirement benefit out of the College's annual budgeted revenues. A separate trust has not been established to fund any portion of this liability. The post-employment benefits liability amount for fiscal year 2017 also includes $4.6 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 post-employment benefit liability in fiscal years 2017, 2016 and 2015 was $82.8 million, $70.4 million and $58.2 million, respectively. Absent this reporting requirement, the College's net assets as of June 30, 2017 would have been at a level of $134.8 million.

Capital lease obligations include mainly technology associated with academic and administrative computing. The College paid off the remaining obligations of leases for a digital press, copier equipment and computer equipment.

Statements of Revenues, Expenses and Changes in Net Position

The change in net position for fiscal years 2017, 2016 and 2015 was a negative $9.1 million, negative $4.9 million and negative $4.6 million, respectively. The following table quantifies the changes:

Revenues, Expenses and Changes in Net Position

June 30,

	2017	2016	2015
		(In millions)	
Operating revenues:			
Net tuition and fees	$ 33.0	$ 31.6	$ 32.0
Auxiliary enterprises and other sources	1.8	1.9	2.0
Total	34.8	33.5	34.0
Operating expenses	166.6	167.7	163.4
Operating loss	(131.8)	(134.2)	(129.4)
Net nonoperating revenues	111.6	117.0	114.0
Change in net assets before other revenues	(20.2)	(17.2)	(15.4)
Net capital revenue and changes to endowments (capital appropriations)	11.1	12.3	10.8
Total change in net position	$ (9.1)	$ (4.9)	$ (4.6)

Operating Revenues

The largest sources of operating revenue for the College are student tuition and fees and auxiliary enterprise revenues. In 2017, the tuition charge per credit was $153; the same as the two previous years. The Technology Fee was increased by $2 to $30 per credit. The General College Fee, which supports student life programs and athletics, remained unchanged at $4 per credit. The College charges course fees for selected high-cost courses. Course fees were increased by an average of 15%, and the fees range from $85 to $345. Average total tuition and fee revenue per credit for 2017 was $197. Auxiliary enterprise revenues are generated from bookstore, food service and parking operations.

Tuition and fee revenue totaled $73,870,409 in fiscal year 2017, $76,827,739 in fiscal year 2016 and $78,506,460 in 2015, which is offset by the scholarship allowance amounts for 2017, 2016 and 2015, respectively, of $40,878,907, $45,185,037 and $46,533,705. The scholarship allowance represents tuition and fee payments made using public and private grants and scholarships. The relatively stable scholarship allowance amounts between fiscal 2017 and fiscal 2016 are reflective of the stable enrollments coupled with the small increase in the federal Pell financial aid award amounts for the 2017 fiscal year.

Gift revenue from the Community College of Philadelphia Foundation (the Foundation) in the amount of $834,700 was received in 2017 and is reported in the Statement of Revenues, Expenses and Changes in Net Position. This value consists of $484,700 for the purchase of land in West Philadelphia, $225,000 for general College expansion and the balance of $125,000 to partially pay the College's cost for its partnership with Single Stop USA. Single Stop USA is a nonprofit organization that delivers services to families nationwide by connecting students to state and federal financial resources and local community services. The aim is to help students overcome economic barriers, continue with their education and move toward economic mobility.

Nonoperating Revenues

Commonwealth appropriations in fiscal year 2017, excluding capital appropriations, totaled $30,868,302, an increase of $739,974 (2.46%) over the $30,128,328 received in fiscal year 2016.

Total 2017 City funding was $29,909,207, a $0.4 million decrease (1.3%) over the amount received in fiscal year 2016. Of the funding appropriation, $24,188,416 was used for operating budget purposes in 2017, including $434,540 for the new Power Up Your Business program. In fiscal year 2016, $23,271,627 of the total appropriation was used for operating purposes and $21,277,040 in fiscal year 2015. Net investment income was $74,971 in fiscal year 2017, $815,452 in 2016 and $364,680 in 2015. Included in net investment income for 2017 is an unrealized loss of $441,226 and a realized gain of $38,912 for all investment activity as of June 30, 2017.

Capital Appropriations

The Commonwealth provided capital funding for debt service and capital purchases in the amounts of $5,329,004 and $5,316,618 for fiscal years 2017 and 2016, respectively. The amount received in fiscal year 2015 was $5,017,352. The College used $5,471,430 of the total City appropriation of $29,659,846 in fiscal year 2017 for debt service and capital purchases. In fiscal years 2016 and 2015, City appropriations used for debt service and capital purchases were $7,037,580 and $5,836,028, respectively.

Expenses by Function

June 30,

	2017	2016	2015
Instruction	$ 65,509,173	$ 66,017,583	$ 65,046,544
Public service	124,136	183,375	64,882
Research	-	-	20,921
Academic support	18,880,265	18,823,708	18,372,027
Student services	24,404,673	25,142,084	23,493,959
Institutional support	24,853,707	24,429,407	24,370,565
Physical plant operations	15,012,576	14,913,188	13,335,791
Depreciation	8,204,104	8,860,741	9,697,798
Student aid	8,770,096	8,739,358	8,210,976
Auxiliary enterprises	811,482	567,452	831,206
Total operating expenses	$ 166,570,212	$ 167,676,896	$ 163,444,669

Exclusive of student aid and depreciation expenses, the College's operating expenses totaled $149,596,013 in fiscal 2017, $150,076,797 in fiscal 2016 and $145,535,895 in fiscal 2015. The College's five-year Collective Bargaining Agreement with Faculty and Classified employee unions that was ratified in September 2013 expired August 2016. The College and the unions have been negotiating a new Collective Bargaining Agreement since January 2016, but no agreement has yet been reached.

In fiscal 2008, the College implemented the GASB 45 accounting standard. This standard requires that the present value of future post-retirement benefits other than pensions, projected to be paid to retired employees, be recorded as an expense in pubic institutions' financial statements. The value of the expense for fiscal years 2017, 2016 and 2015 was $11,195,998, $11,631,237 and $8,016,318, respectively.

Expenses by Natural Classifications

June 30,

	2017	2016 (In thousands)	2015
Expenses:			
Salaries	$ 78,629	$ 77,931	$ 77,161
Benefits	36,417	36,978	35,767
Contracted services	6,512	6,458	8,330
Supplies	3,376	3,857	3,073
Depreciation	8,204	8,861	9,698
Student aid	8,770	8,739	8,211
Other	12,959	13,167	12,815
GASB 45 & 68 (Other post-employment benefits) accrual	11,703	11,686	8,390
Total operating expenses	166,570	167,677	163,445
Interest on capital asset-related debt service	3,263	3,315	4,225
Total nonoperating expenses	3,263	3,315	4,225
Total expenses	$ 169,833	$ 170,992	$ 167,670

In fiscal year 2017, expenses associated with the College's operating budget decreased by $2.1 million or 1.7%. Total operating expenditures ended the year $7.5 million less than budgeted. A number of vacant positions during the year resulted in a much higher-than-budgeted lapse salary savings. Overall operating budget salaries were $2.3 million lower than budgeted. The fringe benefit budget was positively affected by a favorable year for the medical self-funded program. Final medical program costs were almost $2.9 million below budget and $0.8 million less than fiscal year 2016. Expenses associated with restricted grants were stable compared to fiscal year 2016.

Schedule of Fund Balances

The following chart shows fund balances in the four fund groups: Unrestricted, Restricted, Endowment and Plant. The 2017, 2016 and 2015 amounts reported for unrestricted operations funds were reduced by the impact of GASB 45 and 68 reporting of an accrued expense liability for post-employment benefits. The impact of GASB 45 reporting in 2017 was $11,195,998, in 2016 was $11,631,237 and in 2015 was $8,016,318. The negative unrestricted plant fund balance reflects the cumulative impact of unfunded depreciation expense.

	June 30,		
	2017	2016	2015
Total unrestricted fund	$ (46,270,672)	$ (34,795,760)	$ (26,926,568)
Endowment fund:			
Quasi endowment (unrestricted)	1,555,625	1,555,625	1,606,385
Total endowment	1,555,625	1,555,625	1,606,385
Plant fund:			
Net invested in capital assets	99,771,887	98,775,826	96,978,995
Restricted expendable - capital	4,939,214	4,912,257	4,742,166
Unrestricted	(8,044,956)	(9,391,008)	(10,482,019)
Total plant fund	96,666,145	94,297,075	91,239,142
Total net position	$ 51,951,098	$ 61,056,940	$ 65,918,959

Community College of Philadelphia Foundation

The Foundation was established in 1985. Total assets for 2017, 2016 and 2015 were $12.5 million, $12.2 million and $12.1 million, respectively. Total unrestricted net position for 2017, 2016 and 2015 for the Foundation was $1.6 million, $1.7 million and $1.7 million, respectively. The remaining net position is restricted based upon donor intent.

Future Impacts

For fiscal year 2018, City funding to the College was increased by $0.5 million over the amount received for fiscal year 2017. The Commonwealth appropriation is at the same level as fiscal year 2017. Student tuition was increased by $6 per credit hour to $159. There were no increases to fees. Credit hour enrollments for the fall 2017 semester are trending 3.5% below enrollments of fall 2016. The total credit hours generated by the late summer session, a fiscal year 2018 term, were 3.7% higher than the previous year.

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

STATEMENTS OF NET POSITION

June 30,

	Business-type activities		Component unit	
	The Community College of Philadelphia		The Community College of Philadelphia Foundation	
ASSETS	2017	2016	2017	2016
Current assets:				
Cash and cash equivalents (Note B)	$ 15,742,871	$ 12,824,547	$ 310,208	$ 609,930
Short-term investments (Note B)	13,537,444	13,684,393	1,431,623	1,312,723
Accounts receivable, net (Note C)	5,316,010	4,931,453	564,770	910,861
Receivable from government agencies (Note G)	2,336,819	1,408,062	-	-
Accrued interest receivable	47,273	35,810	-	-
Other assets	1,266,180	1,355,173	2,500	-
Total current assets	38,246,597	34,239,438	2,309,101	2,833,514
Noncurrent assets:				
Endowment investments (Note B)	-	-	9,976,007	8,976,588
Accounts receivable, net (Note C)	-	-	227,312	362,632
Bond proceeds available for campus construction	2,175,955	7,480,146	-	-
Other long-term investments (Note B)	16,591,988	16,744,959	-	-
Capital assets, net (Note D)	165,881,969	166,542,601	-	-
Total noncurrent assets	184,649,912	190,767,706	10,203,319	9,339,220
Total assets	$ 222,896,509	$ 225,007,144	$ 12,512,420	$ 12,172,734
Deferred outflows of resources:				
Deferred outflows	$ 8,207,631	$ 8,020,057	$ -	$ -

(Continued)

See accompanying notes to financial statements.

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

STATEMENTS OF NET POSITION - CONTINUED

June 30,

	Business-type activities		Component unit	
	The Community College of Philadelphia		The Community College of Philadelphia Foundation	
LIABILITIES AND NET POSITION	2017	2016	2017	2016
Current liabilities:				
Accounts payable and accrued liabilities (Note E)	$ 15,962,989	$ 15,412,294	$ 482,558	$ 488,559
Payable to government agencies (Note G)	52,006	61,159	-	-
Deposits	630,650	545,527	2,556	-
Unearned revenue	3,165,952	2,057,075	863,938	939,549
Current portion of capital lease obligation (Note F)	463,331	358,836	-	-
Current portion of long-term debt (Note F)	6,407,040	6,910,051	-	-
Unamortized bond premium	573,109	573,109	-	-
Total current liabilities	27,255,077	25,918,051	1,349,052	1,428,108
Noncurrent liabilities:				
Accrued liabilities (Note E)	1,677,543	1,159,869	-	-
Annuity payable	-	-	8,835	4,804
Capital lease obligation (Note F)	820,998	666,010	-	-
Long-term debt (Note F)	60,592,582	66,943,214	-	-
Unamortized bond premium	5,731,094	6,670,928	-	-
Other post-employment benefits liability (Note H)	82,801,420	70,428,317	-	-
Total noncurrent liabilities	151,623,637	145,868,338	8,835	4,804
Total liabilities	$ 178,878,714	$ 171,786,389	$ 1,357,887	$ 1,432,912
Deferred inflows of resources:				
Deferred inflows	$ 274,328	$ 183,872	$ -	$ -
Net position:				
Net investment in capital assets	99,771,887	98,775,826	-	-
Restricted:				
Nonexpendable:				
Scholarships, awards and faculty chair	-	-	7,762,080	6,933,527
Annuities	-	-	6,102	1,206
Expendable:				
Scholarships, awards and faculty chair	-	-	1,517,834	1,611,597
Capital projects	4,939,214	4,912,257	254,123	468,856
Unrestricted	(52,760,003)	(42,631,143)	1,614,394	1,724,636
Total net position	$ 51,951,098	$ 61,056,940	$ 11,154,533	$ 10,739,822

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30,

	Business-type activities		Component unit	
	The Community College of Philadelphia		The Community College of Philadelphia Foundation	
	2017	2016	2017	2016
Operating revenues:				
Student tuition	$ 56,351,236	$ 59,627,838	$ -	$ -
Student fees	17,519,173	17,199,901	-	-
Less scholarship allowance	(40,878,907)	(45,185,037)	-	-
Net student tuition and fees	32,991,502	31,642,702	-	-
Auxiliary enterprises	1,737,187	1,740,088	-	-
Gifts	-	-	1,123,140	553,833
Other sources	61,962	87,288	111,965	135,207
Total operating revenues	34,790,651	33,470,078	1,235,105	689,040
Operating expenses (Note J):				
Educational and general:				
Instruction	65,509,173	66,017,583	98,265	52,044
Public service	124,136	183,375	1,000	-
Academic support	18,880,265	18,823,708	-	-
Student services	24,404,673	25,142,084	3,731	2,964
Institutional support	24,853,707	24,429,407	1,613,129	1,647,419
Physical plant operations	15,012,576	14,913,188	-	-
Depreciation	8,204,104	8,860,741	-	-
Student aid	8,770,096	8,739,358	562,825	495,904
Auxiliary enterprises	811,482	567,452	-	-
Total operating expenses	166,570,212	167,676,896	2,278,950	2,198,331
Operating loss	$ (131,779,561)	$ (134,206,818)	$ (1,043,845)	$ (1,509,291)

(Continued)

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED

Years ended June 30,

	Business-type activities		Component unit	
	The Community College of Philadelphia		The Community College of Philadelphia Foundation	
	2017	2016	2017	2016
Nonoperating revenues (expenses):				
State appropriations (Note K)	$ 30,868,302	$ 30,128,328	$ -	$ -
City appropriations (Note K)	24,188,416	23,271,627	-	-
Federal grants and contracts	48,887,879	53,551,135	-	-
Gifts from the Community College of Philadelphia Foundation	834,700	225,000	(834,700)	(225,000)
State grants and contracts	8,126,317	8,278,313	-	-
Nongovernmental grants and contracts	1,528,328	1,456,249	1,286,886	1,541,177
Net investment income	74,971	815,452	1,006,370	22,493
Interest on capital asset-related debt service	(3,263,189)	(3,314,912)	-	-
Other nonoperating revenues	378,200	2,579,409	-	-
Net nonoperating revenues	111,623,924	116,990,601	1,458,556	1,338,670
(Loss) gain before other revenues, expenses, gains or losses	(20,155,637)	(17,216,217)	414,711	(170,621)
Capital appropriations	11,049,795	12,354,198	-	-
(Decrease) increase in net position	(9,105,842)	(4,862,019)	414,711	(170,621)
Net position, beginning of the year	61,056,940	65,918,959	10,739,822	10,910,443
Net position, ending of the year	$ 51,951,098	$ 61,056,940	$ 11,154,533	$ 10,739,822

See accompanying notes to financial statements.

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

(Business-Type Activities - College only)

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2017	2016
Cash flows from operating activities:		
Tuition and fees	$ 33,140,792	$ 32,978,676
Payments to suppliers	(23,125,966)	(24,955,335)
Payments to employees	(78,542,261)	(77,393,012)
Payments for employee benefits	(35,373,477)	(37,613,988)
Payments for student aid	(8,770,096)	(8,739,358)
Auxiliary enterprises	1,756,431	1,726,271
Other cash receipts	61,962	87,288
Net cash used in operating activities	(110,852,615)	(113,909,458)
Cash flows from noncapital financing activities:		
State appropriations	30,886,544	30,096,838
City appropriations	24,188,416	23,271,627
Gifts and grants	59,349,830	63,112,709
Other nonoperating	463,323	2,563,635
Net cash provided by noncapital financing activities	114,888,113	119,044,809
Cash flows from capital and related financing activities:		
State capital appropriations	5,329,004	5,316,618
City capital appropriations	5,720,791	7,037,580
Proceeds from long-term debt	11,922,300	52,075,000
Decrease (increase) in bond proceeds available for campus construction	5,304,191	(7,475,086)
Purchases of capital assets	(6,729,241)	(3,164,837)
Principal payments on long-term debt and amortization of capital leases	(19,330,691)	(52,043,564)
Interest payments on long-term debt and capital leases	(3,696,957)	(3,397,500)
Net cash used in capital and related financing activities	(1,480,603)	(1,651,789)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	48,586,158	31,438,901
Purchases of investments	(48,286,237)	(33,248,521)
Interest on investments	63,508	826,802
Net cash provided by (used in) investing activities	363,429	(982,818)
Increase in cash	2,918,324	2,500,744
Cash and cash equivalents, beginning	12,824,547	10,323,803
Cash and cash equivalents, ending	$ 15,742,871	$ 12,824,547

(Continued)

See accompanying notes to financial statements.

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

(Business-Type Activities - College only)

STATEMENTS OF CASH FLOWS - CONTINUED

Years ended June 30,

	2017	2016
Reconciliation of net operating loss to net cash used in operating activities:		
Operating loss	$ (131,779,561)	$ (134,206,818)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation	8,204,104	8,860,741
Changes in assets and liabilities:		
Accounts receivable	(1,314,496)	1,353,883
Prepaid and other assets	88,994	(288,525)
Loans to students and employees	1,181	(15,339)
Accounts payable and accrued liabilities	1,900,606	(1,008,866)
Deferred revenues	343,681	(290,654)
Other post-employment benefits	11,702,876	11,686,120
Net cash used in operating activities	$ (110,852,615)	$ (113,909,458)
Supplemental disclosure of noncash capital financing activity:		
Capital assets acquired via capital lease	$ 814,232	$ 945,054

See accompanying notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 Unit

The Community College of Philadelphia Foundation (the Foundation), was established to serve as an organization responsible for College fund-raising activities.

The by-laws of the Foundation give the College's board of trustees the authority to amend the Articles of Incorporation of the Foundation at any time. The Foundation is considered to be a discretely presented component unit of the College, and all financial transactions are reported within the financial statements of the College.

2. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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 nonoperating activities. These nonoperating 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 disposals of capital assets.

3. 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:

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 three 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 the 2017 and 2016 fiscal years, the provisions of Act 46 were not followed in allocating operational funds to Pennsylvania community colleges.

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.

4. 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.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

5. Cash and Cash Equivalents

The College considers all petty 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.

6. 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 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:

(i) 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;
(ii) 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
(iii) 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 A-1 by Standard and Poor's Corporation or P-1 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. The investment practice of the Foundation includes the use of PFM Asset Management as its outsourced chief investment officer. The Foundation also uses Bryn Mawr Trust as its custodian of endowment funds.

7. 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. Interest costs on debt related to capital assets are capitalized during the construction period. There were no capitalized interest costs for the years ended June 30, 2017 or 2016.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Asset category	Years
Buildings	10 to 50
Furniture and equipment	3 to 10
Library books	10
Audiovisual media	5
Computer desktop software	3
Computer 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.

8. 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.

9. Students' 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.

10. Student Fees

Included in student fees are general college fees of $1,389,628 and $1,475,442 for the years ended June 30, 2017 and 2016, respectively, which have been designated for use by the various student organizations and activities.

11. 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 considered to be activities of the Commonwealth.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Internal Revenue Service (IRS) determined the Foundation is also classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code to serve as an organization responsible for College fund-raising activities.

12. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. 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 statement 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 nonoperating 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.

14. Self-Insurance

The Community College of Philadelphia Board of Trustees approved the College's participation in a self-insurance medical plan through Independence Blue Cross, which became effective September 1, 2009. A reinsurance limit of $225,000 is in place 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, 2017 and 2016 was $1,532,274 and $1,532,869, respectively, based upon an actuarial calculation based upon historical claim experience.

15. Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position include 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 Statements of Net Position include 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), as well as the advance refunding of the 2008 Series Community College Revenue Bonds in September 2015.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. 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.

17. Recent Accounting Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The primary objective of this statement is to improve accounting and financial reporting for postemployment benefits other than pensions. This statement replaces the requirements of Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the College's annual other post-employment benefit (OPEB). It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses. This statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payment to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The College has not completed the process of evaluating the impact of adopting this statement.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units* (GASB 80). The primary objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2016. Following review of the Foundation bylaws, it was determined that the Foundation does not meet the criterion for blending.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81). The primary objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. The requirements of this statement are effective for financial statements for periods beginning after December 16, 2016. The College has not completed the process of evaluating the impact of adopting this statement.

(Continued)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In March 2016, GASB issued Statement No. 82, *Pension Issues—an Amendment of GASB Statements No. 67, No. 68, and No. 73* (GASB 82). The primary objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The College has not completed the process of evaluating the impact of adopting this statement.

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; and mutual funds including the Commonfund Multi-Strategy Bond Fund and Commonfund Intermediate 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 equity securities, 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. At least annually, the Board of Trustees will review the investment policy and performance to determine any appropriate revisions.

Operating funds may be invested only in corporate bonds rated at a minimum A- by Standard and Poor's or A3 by Moody's Investors Service, Inc. (Moody's) that are of U.S. dollar denomination. Investments in asset-backed and mortgage-backed bonds are limited to those rated AAA/Aaa. Investments in commercial paper must be rated A1/P1 or better. The maximum percentage of investments in any one sector is limited to 100% for U.S. government and agency, 25% for asset-backed bonds, 40% for corporate notes and bonds, and 25% for mortgage-backed bonds.

Deposits are comprised of demand deposit accounts with financial institutions. At both June 30, 2017 and 2016, cash on hand was $4,000. At June 30, 2017 and 2016, the carrying amount of deposits was $15,738,871 and $12,820,547 and the bank balance was $17,098,759 and $14,392,582, respectively. The differences were caused primarily by items in transit. Deposits of $500,000 were covered by federal depository insurance of $250,000 for each of three bank accounts at both June 30, 2017 and 2016.

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

The following is the fair value of deposits and investments at June 30, 2017:

	College	Foundation
Deposits:		
Demand deposits	$ 15,738,871	$ 310,208
Investments:		
Insured money market deposit	1,060	-
U.S. Treasury obligations	5,450,093	224,704
U.S. government agency obligations	1,276,485	-
Corporate and foreign bonds	3,946,200	-
Intermediate fixed income mutual fund	5,422,152	2,938,774
Equity mutual fund	-	6,604,945
Multi-strategy bond mutual fund	5,194,774	-
Money market mutual funds	8,842,668	1,431,623
Private real estate fund	-	207,584
Total deposits and investments	$ 45,872,303	$ 11,717,838

The following is the fair value of deposits and investments at June 30, 2016:

	College	Foundation
Deposits:		
Demand deposits	$ 12,820,547	$ 609,930
Investments:		
Insured money market deposit	1,054	-
U.S. Treasury obligations	4,305,938	387,939
U.S. government agency obligations	2,183,361	-
Corporate and foreign bonds	4,451,055	-
Intermediate fixed income mutual fund	5,501,105	2,905,649
Equity mutual fund	-	5,417,737
Multi-strategy bond mutual fund	5,274,992	-
Money market mutual funds	8,715,847	1,312,723
Private real estate fund	-	265,263
Total deposits and investments	$ 43,253,899	$ 10,899,241

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

In addition to the deposits and investments listed above, the College also has bond proceeds available for campus construction held by Sovereign Bank, the 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, 2017 and 2016, bond proceeds available for campus construction include the following:

	2017	2016
Construction funds	$ 2,175,955	$ 7,480,146

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, 2017 and 2016, the College's bank balance was exposed to custodial credit risk as follows:

	2017	2016
Uninsured and collateral held by pledging bank's trust department not in the College's name	$ 15,738,871	$ 12,820,547

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 (FDIC) 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.

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

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

	June 30, 2017	
	Multi-Strategy Bond	Intermediate
Government	16%	30%
Agency	26	19
AAA	15	17
AA	3	4
A	11	17
BBB	17	12
Below BBB	7	1
Non-rated/Other	5	-
Total	100%	100%

	June 30, 2016	
	Multi-Strategy Bond	Intermediate
Government	18%	25%
Agency	24	22
AAA	9	22
AA	5	6
A	14	14
BBB	17	10
Below BBB	9	1
Non-rated/Other	4	-
Total	100%	100%

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

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 bonds, is as follows:

	June 30, 2017 Fixed income securities	June 30, 2016 Fixed income securities
Aaa	67%	59%
Aa	2	11
A	20	13
Baa	11	17
Total	100%	100%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income investments. The College's investment policy does not specifically address limitations in the maturities of investments. The weighted average maturities of the College's fixed income investments at June 30, 2017 and 2016 are as follows:

	Weighted average maturity (years)	Weighted average maturity (years)
U.S. Treasury obligations	4.06	3.93
U.S. government agency obligations	2.64	3.45
Corporate bonds	4.50	4.11

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.

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

The College has the following recurring fair value measurements as of June 30, 2017:

Demand deposits, insured money market deposit, U.S. Treasury obligations, U.S. government agency obligations, and money market mutual funds of $31,309,177 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of $3,946,200 are valued using a matrix pricing model (Level 2 inputs), while the intermediate fixed income mutual fund and the multi-strategy bond mutual fund totaling $10,616,926 are valued at the net asset value (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, 2017:

Demand deposits, U.S. Treasury obligations, equity mutual fund, and money market mutual funds of $8,571,480 are valued using quoted market prices (Level 1 inputs).

The intermediate fixed income mutual fund of $2,938,774 is valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

The private real estate fund of $207,584 is valued at the NAV per share (or its equivalent) of the investments (Level 3 inputs).

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table.

Investments Measured at NAV
($ in millions)

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Intermediate fixed income mutual fund (1)	$ 8.4	-	Monthly	30 days
Multi-strategy bond mutual fund (2)	5.2	-	Weekly	7 days
Private real estate fund (3)	0.2	-	N/A	N/A
Total investments measured at NAV	$ 13.8			

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

The College has the following recurring fair value measurements as of June 30, 2016:

Demand deposits, insured money market deposit, U.S. Treasury obligations, U.S. government agency obligations, and money market mutual funds of $28,026,747 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of $4,451,055 are valued using a matrix pricing model (Level 2 inputs), while the intermediate fixed income mutual fund and the multi-strategy bond mutual fund totaling $10,776,097 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, 2016:

Demand deposits, U.S. Treasury obligations, equity mutual fund, and money market mutual funds of $7,151,439 are valued using quoted market prices (Level 1 inputs).

The intermediate fixed income mutual fund of $2,905,649 is valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

The private real estate fund and equity mutual fund of $842,153 are valued at the NAV per share (or its equivalent) of the investments (Level 3 inputs).

The valuation method for investments measured at the NAV per share (or its equivalent) is presented in the following table.

Investments Measured at NAV
($ in millions)

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Intermediate fixed income mutual fund [1]	$ 8.4	-	Monthly	30 days
Multi-strategy bond mutual fund [2]	5.3	-	Weekly	7 days
Equity mutual fund [4]	0.5	-	Quarterly	60 days
Private real estate fund [3]	0.3	-	N/A	N/A
Total investments measured at NAV	$ 14.5			

(Continued)

NOTE B - DEPOSITS AND INVESTMENTS - Continued

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

(2) *Multi-Strategy Bond Mutual Fund.* The investment objective of the Intermediate Term Fund is to produce a total return in excess of its benchmark, the Bank of America Merrill Lynch 1-3 Year Treasury Index, but attaches greater emphasis to its goal of generating a higher current yield than short-term money market investments in a manner that mitigates the chances of a negative total return over any 12-month period. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

(3) *Private Real Estate Fund.* Equus Capital Partners' Fund X seeks to acquire value-add properties across all major real estate segments throughout the U.S. It is a sole-acquirer that takes equity positions and does not partner with regional owner-operators through joint ventures that can be dilutive to equity upside profits. The fund aims to be fully diversified across all major property types and across all U.S. property markets. Equus runs a vertically integrated platform, from deal sourcing, through acquisition to portfolio management, property management, renovation, repositioning and exit. The fund includes moderate leverage on its acquisitions, with no debt recourse to the fund level. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

(4) *Equity Mutual Fund.* The Titan International Fund is a multi-manager, multi-strategy hedge fund of funds. The fund has an absolute return objective and targets a lower beta and volatility compared to traditional asset classes (e.g., Equity and Fixed Income). The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable include the following at June 30:

	2017		2016	
	College	Component unit Foundation	College	Component unit Foundation
Tuition and fee receivables	$ 6,808,619	$ -	$ 7,384,351	$ -
Grants receivable	106,859	26,467	74,818	52,710
Other receivables	1,866,610	313,831	1,434,641	631,977
Pledges receivable	-	491,303	-	640,473
Receivable from Foundation	367,580	-	429,804	-
	9,149,668	831,601	9,323,614	1,325,160
Less allowance for doubtful accounts	(3,833,658)	(39,519)	(4,392,161)	(51,667)
Total	$ 5,316,010	$ 792,082	$ 4,931,453	$ 1,273,493

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. The allowance was $3,833,658 and $4,392,161 for the years ended June 30, 2017 and 2016, respectively. $451,784 of the Foundation's pledges receivable is expected to be collected subsequent to June 30, 2017, generally on a five-year payment schedule.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017 and 2016

NOTE D - CAPITAL ASSETS

Capital assets consist of the following at June 30, 2017:

	Balance July 1, 2016	Additions	Retirements and adjustments	Balance June 30, 2017
Capital assets not depreciated:				
Land and improvements	$ 30,572,094	$ 484,700	$ -	$ 31,056,794
Construction in progress	501,534	5,563,950	(1,985,340)	4,080,144
Works of art	787,708	-	-	787,708
	31,861,336	6,048,650	(1,985,340)	35,924,646
Capital assets being depreciated:				
Buildings and improvements	233,601,416	1,949,913	(271,533)	235,279,796
Equipment and furniture	37,459,693	1,415,324	(52,338)	38,822,679
Library books	5,277,591	114,925	-	5,392,516
Microforms	1,671,710	-	-	1,671,710
Software	4,039,594	-	-	4,039,594
System software	7,454,942	-	-	7,454,942
Total before depreciation	289,504,946	3,480,162	(323,871)	292,661,237
	$ 321,366,282	$ 9,528,812	$ (2,309,211)	$ 328,585,883

Accumulated depreciation by asset categories is summarized as follows:

	Balance July 1, 2016	Depreciation	Retirements	Balance June 30, 2017
Buildings and improvements	$ 106,945,025	$ 5,820,124	$ (271,533)	$ 112,493,616
Equipment and furniture	31,207,030	2,134,727	(52,338)	33,289,419
Library books	4,461,856	144,803	-	4,606,659
Microforms	1,671,170	540	-	1,671,710
Software	3,438,604	-	-	3,438,604
System software	7,099,996	103,910	-	7,203,906
Total	$ 154,823,681	$ 8,204,104	$ (323,871)	162,703,914
Net capital assets				$ 165,881,969

(Continued)

NOTE D - CAPITAL ASSETS - Continued

Capital assets consist of the following at June 30, 2016:

	Balance July 1, 2015	Additions	Retirements and adjustments	Balance June 30, 2016
Capital assets not depreciated:				
Land and improvements	$ 29,206,260	$ 1,365,834	$ -	$ 30,572,094
Construction in progress	193,754	2,501,050	(2,193,270)	501,534
Works of art	705,208	82,500	-	787,708
	30,105,222	3,949,384	(2,193,270)	31,861,336
Capital assets being depreciated:				
Buildings and improvements	233,051,875	549,541	-	233,601,416
Equipment and furniture	35,988,926	1,576,731	(105,964)	37,459,693
Library books	5,133,921	143,670	-	5,277,591
Microforms	1,671,710	-	-	1,671,710
Software	4,039,594	-	-	4,039,594
System software	8,115,093	91,266	(751,417)	7,454,942
Total before depreciation	288,001,119	2,361,208	(857,381)	289,504,946
	$ 318,106,341	$ 6,310,592	$ (3,050,651)	$ 321,366,282

Accumulated depreciation by asset categories is summarized as follows:

	Balance July 1, 2015	Depreciation	Retirements	Balance June 30, 2016
Buildings and improvements	$ 101,085,869	$ 5,859,156	$ -	$ 106,945,025
Equipment and furniture	28,547,457	2,758,106	(98,533)	31,207,030
Library books	4,314,394	147,462	-	4,461,856
Microforms	1,668,715	2,455	-	1,671,170
Software	3,438,604	-	-	3,438,604
System software	7,757,851	93,562	(751,417)	7,099,996
Total	$ 146,812,890	$ 8,860,741	$ (849,950)	154,823,681
Net capital assets				$ 166,542,601

NOTE E - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2017		2016	
	College	Component unit Foundation	College	Component unit Foundation
Category:				
Vendors and others	$ 6,644,305	$ 114,978	$ 6,768,024	$ 58,754
Accrued salaries	3,608,047	-	3,478,599	-
Accrued benefits	2,520,766	-	2,251,943	-
Compensated absences	3,044,365	-	3,021,805	-
Retirement incentive payments	1,092,047	-	339,756	-
Payroll withholding taxes	565,806	-	479,797	-
Accrued interest	165,196	-	232,239	-
Payable to College	-	367,580	-	429,805
Total	$ 17,640,532	$ 482,558	$ 16,572,163	$ 488,559

Long-term liability activity for the year ended June 30, 2017 was as follows:

2017	Beginning balance	Additions	Deductions	Total ending balance	Current portion
Long-term liabilities:					
Accounts payable and accrued liabilities	$ 16,572,163	$ 1,493,412	$ (425,043)	$ 17,640,532	$ 15,962,989
Payable to government agencies	61,159	-	(9,153)	52,006	52,006
Capital lease obligation	1,024,846	259,483	-	1,284,329	463,331
Long-term debt	73,853,265	-	(6,853,643)	66,999,622	6,407,040
Unamortized bond premium	7,244,037	-	(939,834)	6,304,203	573,109
Other post-employment benefits	70,428,317	12,373,103	-	82,801,420	-
	$ 169,183,787	$ 14,125,998	$ (8,227,673)	$ 175,082,112	$ 23,458,475

(Continued)

NOTE E - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - Continued

Long-term liability activity for the year ended June 30, 2016 was as follows:

2016	Beginning balance	Additions	Deductions	Total ending balance	Current portion
Long-term liabilities:					
Accounts payable and accrued liabilities	$ 17,601,997	$ 76,539	$ (1,106,373)	$ 16,572,163	$ 15,412,294
Payable to government agencies	490,637	-	(429,478)	61,159	61,159
Capital lease obligation	2,708,983	-	(1,684,137)	1,024,846	358,836
Long-term debt	71,192,638	2,660,627	-	73,853,265	6,910,051
Unamortized bond premium	417,894	6,826,143	-	7,244,037	573,109
Other post-employment benefits	58,227,563	12,200,754	-	70,428,317	-
	$ 150,639,712	$ 21,764,063	$ (3,219,988)	$ 169,183,787	$ 23,315,449

NOTE F - 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, 2017:

	Balance July 1, 2016	Additions	Principal payments	Balance June 30, 2017	Current portion
2006 Series	$ 185,000	$ -	$ (185,000)	$ -	$ -
2007 Series	14,135,000	(11,865,000)	(2,270,000)	-	-
2008 Series	6,040,000	-	(2,930,000)	3,110,000	3,110,000
2015 Series	51,420,000	-	(845,000)	50,575,000	870,000
2017 Series	-	11,922,300	-	11,922,300	1,982,300
SPSBA Loan	14,906	-	(14,906)	-	-
SPSBA Loan	510,325	-	(368,854)	141,471	141,471
SPSBA Loan	1,548,034	-	(297,183)	1,250,851	303,269
	$ 73,853,265	$ 57,300	$ (6,910,943)	$ 66,999,622	$ 6,407,040

(Continued)

NOTE F - DEBT - Continued

Debt consisted of the following at June 30, 2016:

	Balance July 1, 2015	Additions	Principal payments	Balance June 30, 2016	Current portion
2006 Series	$ 540,000	$ -	$ (355,000)	$ 185,000	$ 185,000
2007 Series	16,295,000	-	(2,160,000)	14,135,000	2,270,000
2008 Series	51,465,000	-	(45,425,000)	6,040,000	2,930,000
2015 Series	-	52,075,000	(655,000)	51,420,000	845,000
SPSBA Loan	226,596	-	(211,690)	14,906	14,903
SPSBA Loan	826,788	-	(316,463)	510,325	367,963
SPSBA Loan	1,839,254	-	(291,220)	1,548,034	297,185
	$ 71,192,638	$ 52,075,000	$ (49,414,373)	$ 73,853,265	$ 6,910,051

Future annual principal and interest payments at June 30, 2017 are as follows:

	Principal	Interest	Total
June 30:			
2018	$ 6,407,040	$ 3,029,338	$ 9,436,378
2019	6,374,481	2,735,805	9,110,286
2020	6,635,817	2,476,265	9,112,082
2021	6,897,284	2,205,033	9,102,317
2022	6,865,000	1,925,309	8,790,309
2023	7,160,000	1,635,803	8,795,803
2024	5,325,000	1,333,000	6,658,000
2025	5,590,000	1,066,750	6,656,750
2026	4,995,000	787,250	5,782,250
2027	5,245,000	537,500	5,782,500
2028	5,505,000	275,250	5,780,250
	$ 66,999,622	$ 18,007,303	$ 85,006,925

(Continued)

NOTE F - DEBT - Continued

1. 2006 Series

Under a loan agreement dated September 15, 2006 with the State Public School Building Authority (the Authority), the College borrowed $3,000,000 of 2006 Series Community College Revenue Bonds. Of the total obligation, $3,000,000 went toward deferred maintenance including roof repairs (Bonnell, West, Gymnasium, Winnet Building and West Philadelphia Regional Center); exterior brick repairs (Winnet Building and Gymnasium); and 16th Street sidewalk replacement. The College also received $50,000 from the Authority that was applied to issuance cost. The Bonds were repaid over a 10-year period through June 20, 2017 at the interest rate of 4.5%, with an average annual debt service payment of $349,372.

2. 2007 Series and 2017 Series

Under a loan agreement dated February 21, 2007 with the Authority, the College borrowed $30,525,000 of 2007 Community College Refunding Revenue Bonds. Of the total obligation, $30,525,000 (including bond premium net of bond discount and issuance cost of $449,782) was used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1998 Series Bonds and 2001 Series Bonds. As a result, that portion of the 1998 Series Bonds and 2001 Series Bonds was considered to be defeased. The 1998 and 2001 Series Bonds were called as of November 1, 2011, and the related escrow with the trustee of the defeased bonds is zero. The 2007 Series Bonds are payable over 16½ years at rates from 4.00% to 5.00%, with an average annual debt service payment of $2,602,675.

Under a loan agreement dated May 1, 2017 between the Authority and the College, the College borrowed $11,922,300 of 2017 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 2007. The 2017 Capital Projects consist of the U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1998 Series Bonds and 2001 Series Bonds. All of the foregoing components of the 2017 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2017 Series Bonds are payable over 6 years at rates from 2.359%, with an average debt service payment of $2,153,074.

(Continued)

NOTE F - DEBT - Continued

Principal payments required by the loan agreement are as follows:

	Principal
2018	$ 1,982,300
2019	1,895,000
2020	1,940,000
2021	1,980,000
2022	2,035,000
2023	2,090,000
	$ 11,922,300

3. 2008 Series and 2015 Series

Under a loan agreement dated October 9, 2008 with the Authority, the College borrowed $74,770,000 of 2008 Series Community College Revenue Bonds. The bonds were issued for the benefit of the College to finance a project consisting of: (a) the construction, equipping and furnishing of an approximately 45,000 square foot building for instructional facilities and student meeting spaces on the main campus of the College, and other capital projects related thereto; (b) the renovation and expansion of administrative buildings for the provision of student services on the main campus of the College; (c) the expansion of the campus facilities comprising the Northeast Regional Center of the College in Northeast Philadelphia; and (d) the payment of costs and expenses incident to the issuance of the bonds. The College also received $50,000 from the Authority that was applied to issuance cost. The bonds are scheduled to be repaid over a 20-year period through June 15, 2028 at the interest rate of 3.00% to 6.25%, with an average annual debt service payment of $6,064,257. The 2008 Series Bonds were partially refunded in September 2015 with the 2015 Series Bonds.

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% to 5%, with an average debt service payment of $4,166,000. The unrefunded series of 2008 are payable over 3 years, with an average debt service payment of $2,415,000.

(Continued)

NOTE F - DEBT - Continued

Remaining principal payments for the 2015 Series Bonds and the unrefunded Series of 2008 Bonds required by the loan agreement are as follows:

	Principal
2018	$ 3,980,000
2019	4,170,000
2020	4,380,000
2021	4,595,000
2022	4,830,000
2023	5,070,000
2024	5,325,000
2025	5,590,000
2026-2029	15,745,000
	$ 53,685,000

4. Revolving Loan Obligation

Under a loan agreement dated July 15, 2011 with the Authority, the College borrowed $1,000,000 for the purpose of completing the build out of 7,291 square feet of space to be leased adjacent to the current West Regional Center. The loan is scheduled was repaid over a five-year period through July 15, 2016 at a fixed annual interest rate of 3.00%, with an average annual debt service payment of $216,899.

5. Revolving Loan Obligation

Under a loan agreement dated January 31, 2013 with the Authority, the College borrowed $1,800,000 for the purpose of completing the renewal and update of four chemistry labs, an instrumentation lab and the associated prep room in the West Building on the College's Main Campus. The loan is scheduled to be repaid over a five-year period through September 15, 2017 at a fixed annual interest rate of 2.00%, with an average annual debt service payment of $377,242.

NOTE F - DEBT - Continued

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

	Principal
2018	$ 141,471
	$ 141,471

6. Revolving Loan Obligation

Under a loan agreement dated April 1, 2013 with the Authority, the College borrowed $2,400,000 for the purpose of renovations to several spaces in the West Building on the College's Main Campus to address critical programmatic needs. The loan is scheduled to be repaid over a five-year period through November 1, 2020 at a fixed annual interest rate of 2.027%, with an average annual debt service payment of $325,551.

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

	Principal
2018	$ 303,269
2019	309,481
2020	315,817
2021	322,284
	$ 1,250,851

7. Operating Leases

The College leases certain equipment and property under operating lease arrangements that expire through 2021. Rental expense for operating leases was $607,692 and $730,485 for the years ended June 30, 2017 and 2016, respectively.

(Continued)

NOTE F - DEBT - Continued

Future minimum lease payments required under operating leases are as follows:

2018	$ 425,832
2019	409,518
2020	412,062
2021	171,543
	$ 1,418,955

8. Capital Leases

The College leases certain equipment under capital lease arrangements that expire through 2021. These leases are recorded at the lower of cost or present value and amounted to $1,284,329 and $1,024,846 at June 30, 2017 and 2016, respectively. Amortization charges of capital leases were $1,618,526 and $1,919,844 for the years ended June 30, 2017 and 2016, respectively.

Future minimum lease payments under capital leases are as follows:

	Principal	Interest	Total
June 30:			
2018	$ 463,331	$ 34,321	$ 497,652
2019	426,296	20,864	447,160
2020	285,592	8,582	294,174
2021	109,110	1,380	110,490
	$ 1,284,329	$ 65,147	$ 1,349,476

NOTE G - (PAYABLE TO) RECEIVABLE FROM GOVERNMENT AGENCIES

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

	2017		2016	
	(Payable)	Receivable	(Payable)	Receivable
Commonwealth of Pennsylvania:				
Provision for potential audit findings and reimbursement calculation	$ (35,468)	$ -	$ (17,226)	$ -
Grants and special projects	-	879,287	-	968,015
PHEAA for grants	(16,538)	-	(29,190)	-
	(52,006)	879,287	(46,416)	968,015
City of Philadelphia grants receivable	-	781,105	-	15,602
Federal:				
Financial aid programs	-	12,586	(1,906)	10,243
Grants and special projects	-	663,841	(12,837)	414,202
	-	1,457,532	(14,743)	440,047
Total	$ (52,006)	$ 2,336,819	$ (61,159)	$ 1,408,062

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 14 employees participating in the SERS and 24 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.

NOTE H - EMPLOYEE BENEFITS - Continued

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 10.7% 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.

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, 2017, the College reported a liability of $1,734,000 and $2,827,306 for its proportional share of the net pension liability for PSERS and SERS, respectively. The net pension liability was measured as of June 30, 2016 for PSERS and December 31, 2016 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, 2016 and December 31, 2016, respectively, the College's proportion of PSERS and SERS was 0.0035% and 0.01468%.

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

For the year ended June 30, 2017, the College recognized the proportional pension expense for PSERS and SERS of $285,000 and $537,104, respectively, as provided by the plans' actuarial schedules. At June 30, 2017, the College reported deferred outflows of resources and deferred 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	$ -	$ 14,000
Changes in assumptions	62,000	-
Net difference between projected and actual earnings on pension plan investments	97,000	-
Changes in proportion and differences beween College contributions and proportionate share of contributions	326,000	-
Total	$ 485,000	$ 14,000

SERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 40,811	$ 63,256
Changes of assumption	172,696	-
Net difference between projected and actual earnings on pension plan investments	237,606	-
Changes in proportion	-	90,340
Changes in proportion and differences beween College contributions and proportionate share of contributions	657,824	106,732
Total	$ 1,108,937	$ 260,328

At June 30, 2016, the College reported a liability of $1,386,000 and $1,998,201 for its proportional share of the net pension liability for PSERS and SERS, respectively. The net pension liability was measured as of June 30, 2015 for PSERS and December 31, 2015 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, 2015 and December 31, 2015, respectively, the College's proportion of PSERS and SERS was 0.0032% and 0.0110%.

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

For the year ended June 30, 2016, the College recognized the proportional pension expense for PSERS and SERS of $203,000 and $297,780, respectively, as provided by the plans' actuarial schedules. At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	$ -	$ 6,000
Net difference between projected and actual earnings on pension plan investments	-	3,000
Changes in proportion and differences beween College contributions and proportionate share of contributions	304,000	-
Total	$ 304,000	$ 9,000

SERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 9,688	$ -
Net difference between projected and actual earnings on pension plan investments	1,565	-
Changes in proportion and differences beween College contributions and proportionate share of contributions	350,422	23,351
Total	$ 361,675	$ 23,351

Actuarial Assumptions

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2017. 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%

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

Salary increases	effective average of 5%, 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	based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

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 expenses including inflation
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	ad hoc

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2016. 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	7.50%, includes inflation at 3.00%
Salary increases	effective average of 5.50%, which reflects an allowance for inflation of 3%, real wage growth of 1% and merit of seniority increases of 1.5%
Mortality rates	based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

NOTE H - EMPLOYEE BENEFITS - Continued

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	7.50% net of expenses including inflation
Projected salary increases	average of 5.70% with range of 3.85% - 9.05% including inflation
Inflation	2.75%
Mortality rate	projected RP-2000 Mortality Tables adjusted for actual plan experience and future improvement
Cost of living adjustments	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:

Asset class	Target allocation	Long-term expected rate of return
Global Public Equity	22.50%	5.30%
Fixed Income	28.50%	2.10%
Commodities	8.00%	2.50%
Absolute Return	10.00%	3.30%
Risk Parity	10.00%	3.90%
Infrastructure/MLPs	5.00%	4.80%
Real Estate	12.00%	4.00%
Alternative Investments	15.00%	6.60%
Cash	3.00%	0.20%
Financing (LIBOR)	-14.00%	0.50%
Total	100.00%	

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

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:

Asset class	Target allocation	Long-term expected rate of return
Private Equity	16.00%	8.00%
Global Public Equity	43.00%	5.30%
Real Estate	12.00%	5.44%
Hedge Funds	12.00%	4.75%
Fixed Income	14.00%	1.63%
Cash	3.00%	-0.25%
Total	100.00%	

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 $1,734,000 using a 7.25% discount rate. The College's net pension liability would have been $2,122,000 assuming a 1% point decrease (6.25%) in the discount rate and would have been $1,409,000 assuming a 1% point increase (8.25%) in the discount rate.

For SERS, the College's net pension liability is $2,827,306 using a 7.25% discount rate. The College's net pension liability would have been $3,498,923 assuming a 1% point decrease (6.25%) in the discount rate and would have been $2,252,163 assuming a 1% point increase (8.25%) in the discount rate.

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

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.

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 1,226 employees participating in this program.

The payroll for employees covered by the three plans was $66,904,082 and $65,256,751; and the College's total payroll is $79,552,794 and $78,702,353 at June 30, 2017 and 2016, respectively. Contributions made by the College during fiscal 2017 and 2016 totaled $5,916,232 and $5,832,078, respectively, representing 8.84% and 8.94%, respectively, of covered payroll. College employees contributed $4,835,278 and $4,906,108, respectively, during fiscal 2017 and 2016. 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

3. Other Post-employment Benefits Liability

The College's Retirement Benefits Plan is a single-employer plan, which offers board-authorized post-employment benefits, other than pension, to eligible retirees. The plan provides post-retirement medical, prescription drug, dental and life insurance benefits. The plan is unfunded, and no financial report is prepared. These benefits are accounted for in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.*

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

Funding

The contribution requirements of plan members and the College are established and may be amended by the College's Board of Trustees. The plan is funded on a pay-as-you-go basis (i.e., premiums are paid to fund the health care benefits provided to current retirees). The College paid premiums of $2,563,770 and $2,765,425 for the fiscal years ended June 30, 2017 and 2016, respectively. Total retiree contributions made by plan members were $929,027 and $870,799 for the fiscal years ended June 30, 2017 and 2016, respectively.

The Retiree Drug Subsidy (RDS) was created as part of the 2003 federal law that created the Medicare prescription drug program and was included to encourage employers to retain the prescription benefits offered to Medicare-eligible retirees. Under the law, employers that retain prescription drug coverage for retirees that is at least equivalent to Medicare Part D coverage receive a subsidy from the U.S. government equal to 28% of the employer's annual drug costs that fall within a certain range. The College received payments of $245,793 for the year ended June 30, 2017 and $237,252 for the year ended June 30, 2016.

The College also provides life insurance for retirees until the end of the contract year in which the employee turns 65 years of age. Contract year is defined as fiscal year for Administrators/Confidential and academic year for Faculty/Classified. The College paid premiums of $16,915 covering 29 retirees for the fiscal year ended June 30, 2017 and $14,933 covering 34 retirees for the fiscal year ended June 30, 2016.

Annual OPEB Cost and Net OPEB Obligation

The College's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation:

	2017	2016	2015
Annual required contribution	$ 16,454,957	$ 16,338,357	$ 13,289,050
Annual OPEB cost (expense)	16,454,957	16,338,357	13,289,050
Contributions made	(5,258,960)	(4,707,120)	(5,272,731)
Increase in net OPEB obligation	11,195,997	11,631,237	8,016,319
Net OPEB obligation at July 1	67,044,117	55,412,880	47,396,561
Net OPEB obligation at June 30	$ 78,240,114	$ 67,044,117	$ 55,412,880

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

	Annual OPEB principal	Percentage of annual OPEB cost contributed	Net OPEB total
Year ended:			
June 30, 2017	$ 16,454,958	31.96%	$ 78,240,114
June 30, 2016	16,338,357	28.81%	67,044,117
June 30, 2015	13,289,050	39.67%	55,412,880

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarial amounts determined regarding the funded status of the plan and the annual required contributions of the College are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of the most recent valuation date is as follows:

Actuarial valuation date	July 1, 2015
Actuarial value of assets	$ -
Actuarial accrued liability	172,815,908
Unfunded actuarial accrued liability (UAAL)	$ 172,815,908
Funded ratio	0.00%
Annual covered payroll	$ 54,031,275
UAAL as a percentage of covered payroll	319.84%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan's funding.

(Continued)

NOTE H - EMPLOYEE BENEFITS - Continued

Actuarial Methods and Assumptions

The calculations are based on the types of benefits provided under the terms of the College's Retirement Benefits Plan at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the efforts of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following actuarial methods and significant assumptions were used for the July 1, 2015 valuation:

Actuarial cost method	Projected unit credit
Amortization method	Closed, level dollar amortization over 30 years
Remaining amortization period	22 years
Discount rate	4.00%
Medical/prescription drug trend rate	6.85%, gradually decreasing to 4% in 2036
Dental trend rate	1.00%
Mortality table	88% of rates in the RP-2014 White Collar Healthy Mortality Table backed off to 2006 and projected to 2020 with Scale MP-2015 plus 12% of rates in the RP-2014 Blue Collar Healthy Mortality Table backed off to 2006 and projected to 2020 with Scale MP-2015.

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, 2017 and 2016 of $831,620 and $85,460, respectively, has been accrued. Future payments in the next two fiscal years are each expected to be $470,093.

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-one employees received or will receive the incentive payment during fiscal years 2016-17, 2017-18 and 2018-19.

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.

NOTE I - COMMITMENTS AND CONTINGENCIES - Continued

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 $741,389 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.

NOTE J - OPERATING EXPENSES

The College's and component unit Foundation's operating expenses, on a natural classification basis, were comprised of the following:

	2017		2016	
	College	Component unit Foundation	College	Component unit Foundation
Salaries	$ 78,628,656	$ 924,138	$ 77,930,971	$ 771,382
Benefits	36,417,151	258,873	36,978,141	280,654
Contracted services	6,512,361	34,749	6,457,843	83,286
Supplies	3,376,437	59,733	3,857,149	59,440
Depreciation	8,204,104	-	8,860,741	-
Student aid	8,770,096	562,825	8,739,358	495,904
Other post-retirement benefits	11,702,876	-	11,686,120	-
Other	12,958,531	438,632	13,166,573	507,665
Total	$ 166,570,212	$ 2,278,950	$ 167,676,896	$ 2,198,331

NOTE K - CITY AND COMMONWEALTH APPROPRIATIONS

Appropriations from the Commonwealth and the City for the years ended June 30, 2017 and 2016 are as follows:

	2017		2016	
	Operations	Capital	Operations	Capital
Commonwealth of Pennsylvania	$ 30,868,302	$ 5,329,004	$ 30,128,328	$ 5,316,618
City of Philadelphia	24,188,416	5,720,791	23,271,627	7,037,580
Total appropriations	$ 55,056,718	$ 11,049,795	$ 53,399,955	$ 12,354,198

NOTE L - PASS-THROUGH GRANTS

The College distributed $34,048,302 in 2017 and $38,206,211 in 2016 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 29, 2017, noting no items which would require disclosure in the financial statements.

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SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

June 30, 2017 and 2016

Valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL (OAAL) percentage of covered payroll ((b-a)/c)
July 1, 2007	$ -	$ 72,351,392	$ 72,351,392	$ -	$ 64,747,493	111.74%
July 1, 2009	-	81,337,622	81,337,622	-	73,489,322	110.68
July 1, 2011	-	103,846,976	103,846,976	-	76,796,463	135.22
July 1, 2012	-	124,575,199	124,575,199	-	76,015,530	163.88
July 1, 2013	-	142,548,317	142,548,317	-	76,380,018	186.63
July 1, 2015	-	172,815,908	172,815,908	-	78,702,353	219.58

Schedule of contributions from the College

Fiscal year	Annual required contribution	Contribution	Percentage contributed
June 30, 2008	$ 7,257,715	$ 2,063,042	28.43%
June 30, 2009	7,463,367	2,281,821	30.57
June 30, 2010	8,590,625	2,391,154	27.83
June 30, 2011	8,872,232	2,833,597	31.94
June 30, 2012	10,982,860	3,371,858	30.70
June 30, 2013	12,255,644	3,725,611	30.40
June 30, 2014	13,249,915	4,608,714	34.78
June 30, 2015	13,289,050	5,272,732	39.68
June 30, 2016	16,338,357	4,707,120	28.81
June 30, 2017	16,454,958	5,258,960	31.96

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

Actuarial cost method	Projected Unit Credit
Asset valuation method	N/A
Remaining amortization period	22 years
Actuarial assumptions:	
Discount rate	4.00%
Medical cost trend rate	7.00% gradually decreasing to 4.50% in 2036
Prescription drug cost trend rate	7.00% gradually decreasing to 4.50% in 2036
Dental cost trend rate	1.00%
Mortality table	88% of rates in the RP-2014 White Collar Healthy Mortality Table backed off to 2006 and projected to 2020 with Scale MP-2015 plus 12% of rates in the RP-2014 Blue Collar Healthy Mortality Table backed off to 2006 and projected to 2020 with Scale MP-2015.

See accompanying report of independent certified public accountants.

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

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

Years ended June 30,

	2017	2016	2015
PSERS			
College's proportion of the net pension liability (asset)	0.0035%	0.0032%	0.0026%
College's proportionate share of the net pension liability (asset)	$ 1,734,000	$ 1,386,000	$ 1,030,000
College's covered employee payroll	$ 454,763	$ 413,104	$ 335,800
Plan fiduciary net position as a percentage of the total pension liability	50.14%	54.36%	57.24%
SERS			
College's proportion of the net pension liability (asset)	0.0147%	0.0110%	0.0120%
College's proportionate share of the net pension liability (asset)	$ 2,827,306	$ 1,998,201	$ 1,784,684
College's covered employee payroll	$ 894,293	$ 653,759	$ 692,779
Plan fiduciary net position as a percentage of the total pension liability	57.80%	58.90%	64.80%

See accompanying report of independent certified public accountants.

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

SCHEDULE OF CONTRIBUTIONS

Years ended June 30,

	2017	2016	2015
PSERS			
Contractually required contribution	$ 111,000	$ 83,000	$ 52,000
Contribution in relation to the contractually required contribution	111,000	83,000	52,000
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 454,763	$ 413,104	$ 335,800
Contributions as a % of covered employee payroll	24.4083%	20.0918%	15.4854%
SERS			
Contractually required contribution	$ 301,735	$ 202,576	$ 98,248
Contribution in relation to the contractually required contribution	301,735	202,576	98,248
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 894,293	$ 653,759	$ 692,779
Contributions as a % of covered employee payroll	33.7401%	30.9863%	14.1817%

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Student tuition and fees (net of scholarship allowances)	$ 32,992	$ 31,643	$ 31,973	$ 35,338	$ 32,003	$ 30,181	$ 28,132	$ 29,608	$ 31,618	$ 29,723
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	-
Sales of auxiliary enterprises	1,737	1,740	1,786	1,671	1,776	1,827	1,734	1,650	1,371	1,274
Other operating revenues	62	87	196	166	158	168	180	194	95	76
Total operating revenues	34,791	33,470	33,955	37,175	33,937	32,176	30,046	31,452	33,084	31,073
City appropriations	24,189	23,272	21,271	18,346	18,064	17,652	18,092	18,946	19,245	20,243
State appropriations	30,868	30,128	28,632	28,179	28,240	28,229	29,275	28,750	31,496	31,554
Federal grants and contracts	48,888	53,551	57,871	58,796	58,715	56,839	58,890	51,131	32,552	30,668
State grants and contracts	8,126	8,278	7,343	6,591	7,191	6,495	5,967	5,585	5,831	7,818
Gifts from the Community College of Philadelphia Foundation	835	225	141	100	2,809	-	-	-	-	-
Nongovernmental grants and contracts	1,528	1,456	1,521	1,704	1,119	1,014	1,419	1,580	2,688	1,632
Net investment income	75	815	365	695	333	1,098	718	1,587	249	1,084
Other nonoperating revenue	378	2,579	1,087	324	379	540	333	353	354	1,237
Total nonoperating revenues	114,887	120,304	118,231	114,735	116,850	111,867	114,694	107,932	92,415	94,236
Capital appropriations	11,050	12,354	10,859	13,969	13,730	14,084	13,648	13,979	13,721	8,316
Total revenues	$ 160,728	$ 166,128	$ 163,045	$ 165,879	$ 164,517	$ 158,127	$ 158,388	$ 153,363	$ 139,220	$ 133,625

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Student tuition and fees (net of scholarship allowances)	20.53%	19.05%	19.61%	21.30%	19.45%	19.09%	17.76%	19.31%	22.71%	22.24%
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	-
Sales of auxiliary enterprises	1.08	1.05	1.10	1.01	1.08	1.16	1.09	1.08	0.98	0.95
Other operating revenues	0.04	0.05	0.12	0.10	0.10	0.11	0.11	0.13	0.07	0.06
Total operating revenues	21.65	20.15	20.83	22.41	20.63	20.36	18.96	20.52	23.76	23.25
City appropriations	15.04	14.01	13.05	11.06	10.98	11.16	11.42	12.35	13.82	15.15
State appropriations	19.21	18.14	17.56	16.99	17.17	17.85	18.48	18.75	22.62	23.61
Federal grants and contracts	30.42	32.23	35.49	35.45	35.69	35.95	37.18	33.34	23.38	22.95
State grants and contracts	5.06	4.98	4.50	3.97	4.37	4.11	3.77	3.64	4.19	5.85
Gifts from the Community College of Philadelphia Foundation	0.52	0.14	0.09	0.06	1.7	-	-	-	-	-
Nongovernmental grants and contracts	0.95	0.88	0.93	1.02	0.68	0.64	0.90	1.03	1.93	1.22
Net investment income	0.05	0.49	0.22	0.42	0.20	0.69	0.45	1.03	0.18	0.81
Other nonoperating revenue	0.24	1.55	0.67	0.20	0.23	0.33	0.22	0.23	0.26	0.94
Total nonoperating revenues	71.49	72.42	72.51	69.17	71.02	70.73	72.42	70.37	66.38	70.53
Capital appropriations	6.86	7.43	6.66	8.42	8.35	8.91	8.62	9.11	9.86	6.22
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.

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY USE (UNAUDITED)

Year ended June 30,

(Amounts expressed in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Salaries	$ 78,629	$ 77,931	$ 77,161	$ 75,438	$ 76,015	$ 76,796	$ 78,168	$ 73,489	$ 69,694	$ 68,333
Benefits	36,417	36,978	36,140	35,885	34,247	32,062	32,500	30,231	27,121	25,210
Contracted services	6,512	6,458	8,331	9,697	11,373	6,057	5,376	4,881	5,214	4,869
Supplies	3,376	3,857	3,073	3,232	3,636	2,760	3,253	2,198	2,107	2,416
Depreciation	8,204	8,861	9,698	10,490	10,423	9,764	7,660	6,493	6,588	6,374
Student aid	8,770	8,739	8,211	10,459	8,328	10,015	7,376	7,935	4,409	4,326
Other	12,959	13,167	12,815	12,314	11,468	11,895	12,948	11,730	12,269	11,692
GASB 45 (Other post-employment benefits) accrual	11,703	11,686	8,016	8,641	8,530	7,611	6,039	6,199	5,181	5,195
Total operating expenses	166,570	167,677	163,445	166,156	164,020	156,960	153,320	143,156	132,583	128,415
Interest on capital asset-related debt service	3,263	3,315	4,225	4,258	4,689	3,927	3,542	1,841	1,889	2,273
Total nonoperating expenses	3,263	3,315	4,225	4,258	4,689	3,927	3,542	1,841	1,889	2,273
Total expenses	$ 169,833	$ 170,992	$ 167,670	$ 170,414	$ 168,709	$ 160,887	$ 156,862	$ 144,997	$ 134,472	$ 130,688

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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Salaries	46.30%	45.57%	46.02%	44.27%	45.06%	47.73%	49.83%	50.68%	51.83%	52.29%
Benefits	21.44	21.63	21.55	21.04	20.28	19.93	20.72	20.85	20.17	19.29
Contracted services	3.83	3.78	4.97	5.69	6.74	3.77	3.43	3.37	3.88	3.72
Supplies	1.99	2.26	1.83	1.90	2.16	1.72	2.07	1.52	1.57	1.85
Depreciation	4.83	5.18	5.78	6.16	6.18	6.07	4.88	4.48	4.90	4.88
Student aid	5.16	5.11	4.90	6.14	4.94	6.22	4.70	5.47	3.28	3.31
Other	7.63	7.70	7.64	7.23	6.80	7.39	8.26	8.09	9.12	8.95
GASB 45 (Other post-employment benefits) accrual	6.89	6.83	4.78	5.07	5.06	4.73	3.85	4.27	3.85	3.97
Total operating expenses	98.07	98.06	97.47	97.50	97.22	97.56	97.74	98.73	98.60	98.26
Interest on capital asset-related debt service	1.93	1.94	2.53	2.50	2.78	2.44	2.26	1.27	1.40	1.74
Total nonoperating expenses	1.93	1.94	2.53	2.50	2.78	2.44	2.26	1.27	1.40	1.74
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

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

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY FUNCTION (UNAUDITED)

Year ended June 30,

(Amounts expressed in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses by function:										
Instruction	$ 65,509	$ 66,018	$ 65,046	$ 66,210	$ 66,436	$ 62,162	$ 62,184	$ 57,714	$ 53,368	$ 51,996
Public service	124	183	86	109	156	63	92	46	123	93
Academic support	18,880	18,824	18,372	17,492	17,247	17,723	19,251	18,540	16,828	14,920
Student services	24,405	25,142	23,494	22,811	21,913	21,075	21,744	20,241	18,212	17,776
Institutional support	24,854	24,429	24,371	25,229	26,216	23,281	22,003	20,095	21,385	21,296
Operation and maintenance of plant	15,013	14,913	13,336	12,586	12,742	12,244	12,392	11,307	10,905	10,949
Depreciation	8,204	8,861	9,698	10,490	10,423	9,764	7,660	6,493	6,588	6,374
Student aid	8,770	8,739	8,211	10,459	8,328	10,015	7,377	7,935	4,409	4,326
Auxiliary enterprises	811	567	831	770	559	633	617	785	765	685
Interest on capital debt	3,263	3,315	4,225	4,258	4,689	3,927	3,542	1,841	1,889	2,273
Total expenses by function	$ 169,833	$ 170,991	$ 167,670	$ 170,414	$ 168,709	$ 160,887	$ 156,862	$ 144,997	$ 134,472	$ 130,688

(Amounts expressed in percentages)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses by function:										
Instruction	38.57%	38.61%	38.79%	38.85%	39.38%	38.64%	39.64%	39.80%	39.69%	39.79%
Public service	0.07	0.11	0.05	0.06	0.09	0.04	0.06	0.03	0.09	0.07
Academic support	11.12	11.01	10.96	10.26	10.22	11.02	12.28	12.79	12.51	11.42
Student services	14.37	14.70	14.01	13.39	12.99	13.10	13.86	13.96	13.54	13.60
Institutional support	14.63	14.29	14.54	14.80	15.54	14.47	14.03	13.86	15.90	16.30
Operation and maintenance of plant	8.84	8.72	7.95	7.39	7.55	7.61	7.90	7.80	8.12	8.37
Depreciation	4.83	5.18	5.78	6.16	6.18	6.07	4.88	4.48	4.90	4.88
Student aid	5.16	5.11	4.90	6.14	4.94	6.22	4.70	5.47	3.28	3.31
Auxiliary enterprises	0.48	0.33	0.50	0.45	0.33	0.39	0.39	0.54	0.57	0.52
Interest on capital debt	1.93	1.94	2.52	2.50	2.78	2.44	2.26	1.27	1.40	1.74
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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total revenues (from schedule of revenues by source less capital appropriations)	$ 149,678	$ 153,776	$ 152,186	$ 151,910	$ 150,786	$ 144,042	$ 144,740	$ 139,384	$ 125,499	$ 125,309
Total operating expenses (from schedule of expenses by use)	169,833	170,992	167,670	170,414	168,709	160,887	156,862	144,997	134,472	130,688
Income before other revenues and expenses	(20,155)	(17,216)	(15,484)	(18,504)	(17,923)	(16,845)	(12,122)	(5,613)	(8,973)	(5,379)
Capital grants and contracts	-	-	-	-	-	-	-	-	-	-
Deductions to permanent endowments	-	-	-	-	-	-	-	-	-	(14)
Total changes in net position	(20,155)	(17,216)	(15,484)	(18,504)	(17,923)	(16,845)	(12,122)	(5,613)	(8,973)	(5,393)
Net position, beginning	61,057	65,919	72,538	77,072	81,265	85,903	84,377	76,011	71,263	68,340
Net position, ending	$ 40,902	$ 48,703	$ 57,054	$ 58,568	$ 63,342	$ 69,058	$ 72,255	$ 70,398	$ 62,290	$ 62,947
Net investment in capital assets	$ 99,772	$ 98,776	$ 96,979	$ 93,771	$ 89,660	$ 86,331	$ 80,136	$ 69,278	$ 60,947	$ 54,231
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Restricted - expendable	4,939	4,912	4,742	4,742	2,740	1,364	731	511	511	1,874
Unrestricted	(52,760)	(42,631)	(35,802)	(25,975)	(15,328)	(4,553)	5,036	14,588	14,553	15,158
Total net position	$ 51,951	$ 61,057	$ 65,919	$ 72,538	$ 77,072	$ 83,142	$ 85,903	$ 84,377	$ 76,011	$ 71,263

Source: Audited financial statements.

See accompanying report of independent certified public accountants.

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

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

Year ended June 30,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Enrollments and student demographics:										
Credit FTE	13,659	14,481	14,851	15,051	15,116	15,769	16,091	15,808	14,208	13,942
Unduplicated Credit Headcount	25,571	26,837	27,942	28,096	28,264	29,094	29,032	28,783	26,868	26,212
Percentage - Men	37.1%	37.8%	37.7%	37.7%	36.9%	35.5%	35.5%	34.5%	33.7%	33.2%
Percentage - Women	62.9	62.2	62.3	62.3	63.1	64.5	64.5	65.5	66.3	66.8
Percentage - Black	48.8	49.4	50.7	50.2	49.7	49.9	49.2	48.9	48.6	48.0
Percentage - White	24.0	23.8	23.9	24.3	25.1	24.6	24.4	25.0	25.7	25.2
Percentage - Asian	9.4	8.9	8.4	8.2	7.7	7.3	7.2	7.1	7.4	7.7
Percentage - Hispanic	13.0	12.8	11.8	11.4	10.6	4.9	6.5	7.0	6.8	6.3
Percentage - American Indian/other	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.4	0.4
Percentage - Unknown	4.5	4.8	4.8	5.6	6.5	12.9	12.2	11.6	11.1	12.4
Degrees awarded:										
Associate	1,794	1,880	1,916	1,857	1,712	1,828	1,702	1,667	1,741	1,592
Certificate	471	475	446	338	167	180	214	216	259	319

Source: Department of Institutional Research.

See accompanying report of independent certified public accountants.

STATISTICAL SECTION - FACULTY AND STAFF STATISTICS (UNAUDITED)

For Fall Term in Year

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Faculty:										
Part-time	548	676	635	643	734	757	771	737	684	641
Full-time	467	400	395	407	412	418	413	395	393	395
Percentage tenured	61.8%	74.0%	81.7%	79.9%	80.6%	83.0%	84.0%	79.5%	79.6%	78.5%
Administrative and support staff:										
Part-time	38	18	11	12	20	22	19	19	23	31
Full-time	466	445	453	441	447	472	460	462	457	426
Total employees:										
Part-time	586	694	646	655	754	779	790	756	707	672
Full-time	933	845	848	848	859	890	873	857	850	821
Students per full-time staff:										
Number credit students	18,126	18,099	19,119	19,066	18,692	19,751	19,503	19,047	17,327	17,352
Faculty	39	45	47	47	46	47	47	48	44	44
Administrative and support staff	39	41	42	43	42	42	42	44	38	41
Average annual faculty salary	$ 69,196	$ 63,789	$ 65,212	$ 64,059	$ 66,137	$ 66,236	$ 67,266	$ 65,381	$ 63,408	$ 60,799

Source: Institutional Human Resource Records.

GROSS SQUARE FEET OF COLLEGE BUILDINGS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Main Campus - Buildings	911,051	911,051	911,051	911,051	900,613	900,613	852,445	852,445	852,445	852,445
Main Campus - 17 Street Garage	230,360	230,360	230,360	230,360	230,360	230,660	230,660	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	-	-	-	-
Northeast Regional Center	109,075	109,075	109,075	109,075	109,075	109,075	109,075	59,876	59,876	59,876
West Regional Center	39,394	39,394	39,394	39,394	39,394	32,090	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	1,605,882	1,605,882	1,605,882	1,605,882	1,595,444	1,588,440	1,451,772	1,402,273	1,402,273	1,402,273

Source: Institutional Physical Plant Records.

DEMOGRAPHIC STATISTICS

City of Philadelphia Last Ten Calendar Years

	Population as of June 30	Average annual unemployment rate
Year:		
2007 – 08	1,449,634	6.0
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

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, 2017

(In thousands)

Assets:		
Cash on deposit and on hand	$	16,053
Investments		41,537
Accounts receivable		9,981
Allowance for doubtful accounts		(3,873)
Interest and dividends receivable		47
Due from other governments		2,337
Restricted assets		(4,137)
Other assets		1,269
Property, plant and equipment		165,882
Total assets	$	229,096
Deferred outflows of resources:		
Deferred outflows		8,208
Liabilities:		
Vouchers and accounts payable	$	12,838
Salaries and wages payable		3,608
Accrued expenses		1,678
Funds held in escrow		633
Due to other governments		52
Deferred revenue		4,030
Current portion of long-term obligations		6,870
Noncurrent portion of long-term obligations		61,414
Other post-employment benefits (GASB 45)		82,801
Total liabilities	$	173,924
Deferred inflows of resources:		
Deferred inflows		274
Net position:		
Net investment in capital assets	$	99,772
Restricted for:		
Capital projects		5,193
Tuition stabilization and scholarships		9,286
Rate stabilization		(51,145)
Unrestricted (deficit)		-
Total net position	$	63,106

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, 2017

(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	$ 172,112	$ 34,729	$ 59,829	$ -	$ 77,554
				General revenues:	
				Taxes	
				Grants and contributions*	66,107
				Interest and investment earnings	1,081
				Miscellaneous	1,675
				Total general revenues	68,863
				Change in net assets	(8,691)
				Net position - beginning	71,797
				Net position - ending	$ 63,106

* Includes Commonwealth appropriations of $36,198 and City of Philadelphia appropriations of $29,909.

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, 2017

	Beginning balance	Increases	Decreases	Ending balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 30,572,094	$ 484,700	$ -	$ 31,056,794
Fine arts	787,708	-	-	787,708
Construction in process	501,534	5,563,950	(1,985,340)	4,080,144
Total capital assets not being depreciated	31,861,336	6,048,650	(1,985,340)	35,924,646
Capital assets being depreciated:				
Buildings	233,425,240	1,926,858	(271,533)	235,080,565
Other improvements	17,842,846	114,925	-	17,957,771
Equipment	36,933,814	1,380,644	(48,338)	38,266,120
Furniture	1,126,871	34,680	(4,000)	1,157,551
Leasehold improvements	176,176	23,055	-	199,231
Total capital assets being depreciated	289,504,947	3,480,162	(323,871)	292,661,238
Less accumulated depreciation for:				
Buildings	106,770,437	5,817,935	(271,533)	112,316,839
Other improvements	16,671,625	249,252	-	16,920,877
Equipment	30,207,554	2,107,091	(48,338)	32,266,307
Furniture	999,477	27,636	(4,000)	1,023,113
Leasehold improvements	174,588	2,190	-	176,778
Total accumulated depreciation	154,823,681	8,204,104	(323,871)	162,703,914
Total capital assets being depreciated, net	134,681,266	(4,723,942)	-	129,957,324
Business-type activities capital assets, net	$ 166,542,602	$ 1,324,708	$ (1,985,340)	$ 165,881,970

See accompanying report of independent certified public accountants.

Grant Thornton

Grant Thornton LLP
Two Commerce Square
2001 Market St., Suite 700
Philadelphia, PA 19103

T 215.561.4200
F 215.561.1066
GrantThornton.com
linked.in/GrantThorntonUS
twitter.com/GrantThorntonUS

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, 2017, 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 29, 2017.

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.

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.

Grant Thornton LLP

Philadelphia, Pennsylvania

September 29, 2017

APPENDIX B
COMMUNITY COLLEGE OF PHILADELPHIA
FORM OF CONTINUING DISCLOSURE AGREEMENT

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$24,155,0000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Philadelphia Project), Series of 2018

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered as of this ___ day of May, 2018, by and between the Community College of Philadelphia (the "College") and The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania, as dissemination agent hereunder (the "Dissemination Agent") in connection with the issuance and sale by the State Public School Building Authority (the "Authority") of its $24,155,000 College Revenue Bonds, Series of 2018 (Community College of Philadelphia Project) (the "Bonds") pursuant to a Trust Indenture, dated as of May 1, 2018 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"). The Bonds are being issued by the Authority pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as amended and supplemented (the "Act"). Proceeds of the Bonds will be loaned to the College by the Authority pursuant to the terms and provisions of a Loan and Security Agreement, dated as of May 1, 2018 between the Authority and the College.

In consideration of the mutual covenants, promises and agreements contained herein and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1. Definitions

In this Disclosure Agreement and any agreement supplemental hereto (except as otherwise expressly provided or unless the context clearly otherwise requires) terms used as defined terms in the recitals hereto shall have the same meanings throughout this Disclosure Agreement, and, in addition, the following terms shall have the meanings specified below:

"Annual Financial Information" shall mean annual financial information and operating data of the College to be provided annually containing information specified in Schedule 1 attached hereto and incorporated herein by this reference, as such schedule may be amended as provided herein. The financial statements of the College are currently and in the future shall be prepared according to accounting methods and procedures which conform to generally accepted accounting principles.

"Bond Insurer" shall mean Build America Mutual Assurance Company.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the College or the Dissemination Agent is authorized or required by law or executive order to remain closed.

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Disclosure Agreement" shall mean this agreement and all amendments and supplements hereto.

"Disclosure Representative" shall mean the Vice President for Business and Finance & Treasurer of the College or such other official or employee of the College as the Chairperson of the Board of Trustees shall designate in writing to the Dissemination Agent.

"Dissemination Agent" shall mean the Trustee, acting in its capacity as Dissemination Agent, hereunder, or any successor Dissemination Agent designated in writing by the College and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System maintained by the MSRB at http://emma.msrb.org/, which serves as the sole nationally recognized municipal securities information repository under the Rule.

"Listed Event" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Material Event" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement, if material within the meaning of the Rule.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement, dated April 24, 2018, relating to the Bonds, including all amendments, if any, made thereto.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with its purchase and reoffering of the Bonds.

"Registered Owner or Owners" shall mean the person or persons in whose name a Bond is registered on the books of the Authority kept by the Trustee for that purpose in accordance with the Indenture and the Bonds. For so long as the Bonds shall be registered in the name of the Securities Depository or its nominee, the term Registered Owner or Owners shall also mean and include, for the purposes of this Disclosure Agreement, the beneficial owners of the Bonds who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise have or share: (a) voting power which includes the power to vote, or to direct the voting of, the Bonds; or (b) investment power which includes the power to dispose or to direct the disposition of a Bond. Beneficial owners of book-entry credits may file their names and addresses with the College for purposes of receiving notices or giving direction under this Disclosure Agreement; provided, however, that the College or the Trustee, if appropriate, may require owners of book-entry credits to establish proof of ownership of such book-entry credits.

"Rule" shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as such Rule may be amended from time to time.

"Securities Depository" shall mean The Depository Trust Company, New York, New York and its nominee, Cede & Co.

All capitalized terms and phrases used in this Disclosure Agreement and not defined above or elsewhere herein shall have the same meanings as set forth in the Indenture.

Section 2. Authorization and Purpose of Disclosure Agreement

This Disclosure Agreement is authorized to be executed and delivered by the College pursuant to a resolution adopted by the College on February 21, 2018 in order to assist the Participating Underwriter in complying with the requirements of the Rule. The College covenants to comply with all requirements of this Disclosure Agreement in order to enable the Participating Underwriters to comply with the Rule.

The College is the only obligated person with respect to the Bonds for purposes of the Rule.

Section 3. Annual Financial Information

(a) Within 270 days of the close of each fiscal year of the College, commencing with the fiscal year ending June 30, 2018, the Disclosure Representative shall file, with the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent), Annual Financial Information for such fiscal year.

(b) The Dissemination Agent shall promptly file the Annual Financial Information with the MSRB via EMMA.

Section 4. Reportable Events

(a) The College agrees that it shall provide to the Dissemination Agent, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event, notice of any of the following Listed Events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers, or their failure to perform;

(v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes; and

(ix) bankruptcy, insolvency, receivership or similar event of the College.[1]

The nine Listed Events listed in this Section 4(a) are quoted directly from the Rule. Item (a)(ii) above is not applicable to the Bonds on the date of issuance thereof.

(b) The College agrees that it shall provide to the Dissemination Agent, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, and upon determining the materiality thereof within the meaning of the Rule, notice of any of the following Material Events with respect to the Bonds:

(i) non-payment related defaults;

(ii) the issuance by the Internal Revenue Service of material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(iii) modifications to rights of the holders of the Bonds;

(iv) Bond calls;

(v) release, substitution or sale of property securing repayment of the Bonds;

(vi) the consummation of a merger, consolidation, or acquisition involving the College, the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

(vii) appointment of a successor or additional trustee, or the change of name of a trustee.

The seven Material Events listed in this Section 4(b) are quoted directly from the Rule.

(c) If the Dissemination Agent has been instructed by the College pursuant to Section 4(a) or (b) above to report the occurrence of a Listed Event or Material Event, the Dissemination Agent shall promptly file the notice of such occurrence with the MSRB via EMMA not later than its close of business on the next Business Day.

(d) The Dissemination Agent shall obtain a written acknowledgment of or a receipt (including an electronic receipt or confirmation) for any notice delivered to the MSRB via EMMA, which shall specify, among other things, the date the notice was received. All such written

---

[1] This event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

acknowledgements or receipts of notice shall be sent to the College and shall be retained by the Dissemination Agent and the College until the termination of this Disclosure Agreement.

(e) The Dissemination Agent agrees that it will also provide to the MSRB via EMMA notice of any failure by the College to timely file the Annual Financial Information required by Section 3 hereof, in substantially the form of Schedule 2, attached hereto and incorporated herein by this reference, and shall also provide a copy of such notice to the College.

(f) At the same time that the College provides any notice pursuant to clauses (a), (b), (c) or (e) of this Section 4 to the MSRB via EMMA, the College shall provide a copy to the Authority, the Bond Insurer and the Trustee (if the Trustee is not the Dissemination Agent).

Section 5. Amendment; Waiver

(a) Notwithstanding any other provision of this Disclosure Agreement, the College and the Dissemination Agent may amend this Disclosure Agreement or waive any of the provisions hereof, provided that no such amendment or waiver shall be executed by the parties hereto or effective unless:

(i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in identity, nature or status of the College or the governmental operations conducted by the College or a change in the identity, nature or status of the Dissemination Agent;

(ii) this Disclosure Agreement, as amended by the amendment or waiver, would have been the written undertaking contemplated by the Rule at the time of original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the Registered Owners of the Bonds.

(b) Evidence of compliance with the conditions set forth in clause (a) of this Section 5 shall be satisfied by the delivery to the Dissemination Agent of an opinion of counsel having recognized experience and skill in the issuance of municipal securities and federal securities law, acceptable to the College and the Dissemination Agent, to the effect that the amendment or waiver satisfies the conditions set forth in clauses (a)(i), (ii), and (iii) of this Section 5.

(c) Notice of any amendment or waiver containing an explanation of the reasons therefor shall be given by the Disclosure Representative to the Dissemination Agent upon execution of the amendment or waiver and the Dissemination Agent shall file such notice with the MSRB via EMMA, at the time of filing of the Annual Financial Information filed pursuant to Section 3 hereof. The Dissemination Agent shall also send notice of the amendment or waiver to the Trustee to send to each Registered Owner, to the Trustee (if the Trustee is not the Dissemination Agent) and to the Authority.

Section 6. Other Information; Duties Under the Indenture

(a) Nothing in this Disclosure Agreement shall preclude the College from disseminating any other information with respect to the College or the Bonds, using the means of communication provided in this Disclosure Agreement or otherwise, in addition to the Annual Financial Information and the notices of Listed Events and Material Events specifically provided for herein, nor shall the College be relieved of complying with any applicable law relating to the availability and inspection of public records, if any. Any election by the College to furnish any information not specifically provided for herein in any notice given pursuant to this Disclosure Agreement or by the means of communication provided for herein shall not be deemed to be an additional contractual undertaking and the College shall have no obligation to furnish such information in any subsequent notice or by the same means of communication.

(b) Nothing in this Disclosure Agreement shall relieve the Dissemination Agent, in its capacity as Trustee, of any of its duties and obligations under the Indenture.

Section 7. Default

(a) In the event that the College or the Dissemination Agent fails to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Registered Owner of the Bonds shall have the right, by mandamus, suit, action or proceeding at law or in equity, to compel the College or the Dissemination Agent to perform each and every term, provision and covenant contained in this Disclosure Agreement applicable to the College or the Dissemination Agent. The Dissemination Agent shall be under no obligation to take any action in respect of any default hereunder unless it has received the direction in writing to do so by the Registered Owners of at least 25% of the outstanding principal amount of the Bonds and if, in the Dissemination Agent's opinion, such action may tend to involve expense or liability, unless it is also furnished with indemnity and security for expenses reasonably satisfactory to it.

(b) A default under this Disclosure Agreement shall not be or be deemed to be a default or Event of Default (as therein defined) under the Bonds, the Indenture or the Act and the sole remedy in the event of a failure by the College or the Dissemination Agent to comply with the provisions hereof shall be the action to compel performance described in clause (a) above. In any event, the College and the Dissemination Agent shall not be liable for money damages to any person in connection with the occurrence of any default hereunder. In no event shall the College and the Dissemination Agent be liable, directly or indirectly, for any special, punitive or consequential damages to any person in connection with this Disclosure Agreement, even if advised of the possibility of such damages.

Section 8. Concerning the Dissemination Agent

(a) The Dissemination Agent accepts and agrees to perform the duties imposed on it by this Disclosure Agreement, and no further duties or responsibilities shall be implied, but only upon the terms and conditions set forth herein. The Dissemination Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, and other experts, officers, or employees, selected by it, and the written advice of such counsel or other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. The Dissemination Agent shall not be answerable for the default or misconduct of any attorney, agent, expert or employee selected by it with reasonable care. The Dissemination Agent shall not be answerable for the exercise of any discretion or power under this Disclosure Agreement, except only its own willful misconduct or negligence. None of the provisions contained in this Agreement shall require the Dissemination Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

(b) The College shall pay the Dissemination Agent reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including reasonable fees and expenses of its counsel or other experts, as shall be agreed upon by the Dissemination Agent and the College, and, to the extent permitted by law, the College shall reimburse the Dissemination Agent for any amount of any direct liabilities, costs and expenses which it may incur in the exercise and performance of its powers and duties hereunder, except with respect to its own negligence or willful misconduct.

(c) Notwithstanding any provision contained herein to the contrary, the Dissemination Agent, including its officers, directors, employees and agents, shall be indemnified and saved harmless by the College, to the extent that the College is lawfully able to do so and without representing or providing a warranty that it is lawfully able to do so, from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance or the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the willful misconduct or negligence of the Dissemination Agent, and such indemnification shall survive its resignation or removal, or the termination of this Disclosure Agreement.

(d) The Dissemination Agent may act on any ordinance, notice, telegram, request, consent, waiver, certificate, statement, affidavit, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Disclosure Agreement; and the Dissemination Agent shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement in the absence of actual notice to the contrary.

(e) The Dissemination Agent may resign and be discharged of the duties created by this Disclosure Agreement, by executing an instrument in writing, resigning such duties, specifying the date when such resignation shall take effect, and filing the same with this Disclosure Representative not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect. Such resignation shall take effect on the day specified in such instrument and notice, unless previously a successor agent shall be appointed by the College in which event such resignation shall take effect immediately upon the appointment of such successor agent. In no event shall such resignation take effect until the appointment of a successor agent. In the event that the College fails to appoint a successor agent within sixty (60) days of the date of the notice, either the College or the Dissemination Agent, at the expense of the College, may petition the Court of Common Pleas of Philadelphia County, Pennsylvania for appointment of a successor agent.

(f) The Dissemination Agent shall retain copies of all Annual Financial Information and notices of Listed Events and Material Events filed with it by the College until the termination of this Disclosure Agreement.

Section 9. Term of Disclosure Agreement

This Disclosure Agreement shall terminate (1) upon payment or provision for payment in full of the Bonds, (2) upon repeal or rescission of Section (b)(5) of the Rule, or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable.

Section 10. Beneficiaries

This Disclosure Agreement shall inure solely to the benefit of the College, the Dissemination Agent and the Registered Owners from time to time of the Bonds and nothing herein contained shall confer any right upon any other person.

Section 11. Notices

Any written notice to or demand may be served, presented or made to the persons named below and shall be sufficiently given or filed for all purposes of this Disclosure Agreement if deposited in the United States mail, first class postage prepaid or in a recognized form of overnight mail or by electronic facsimile ("Fax") with confirmation of receipt, addressed; provided, however, that notice to the Dissemination Agent shall not be deemed to be given until received by it:

(a) To the Dissemination Agent/Trustee:

The Bank of New York Mellon Trust Company, N.A.
1735 Market Street, 9th Floor
Philadelphia, PA 19103
Telecopy No.: (215) 553-6931

(b) To the College:

Community College of Philadelphia
1700 Spring Garden Street, Room M1-3
Philadelphia, PA 19130
Attention: Associate Vice President, Budgets & Business Services
Telecopy No.: (215) 751-8365

(c) To the MSRB at http://emma.msrb.org; or such other address as may be designated by the MSRB.

(d) To the Authority:

State Public School Building Authority
1035 Mumma Road
Wormleysburg, PA 17043
Attention: Executive Director
Telecopy No.: (717) 975-2215

(e) To the Bond Insurer:

Build America Mutual Assurance Company
200 Liberty Street, 27^{th} Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No. ________
Telephone: (212) 235-2500
Telecopy: (212) 235-1542
Email: notices@buildamerica.com

Section 12. No Personal Recourse

No personal recourse shall be had for any claim based on this Disclosure Agreement against any member, officer, or employee, past, present or future, of the Board of the Authority, the Board of Trustees of the College, or of any successor bodies of such, either directly or through the Board of the Authority, the Authority, the Board of Trustees of the College or the College (including without limitation, the Disclosure Representative), or successor bodies of such, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise. The Authority shall have no responsibility for compliance by the College and the Dissemination Agent with their respective obligations hereunder or for any information contained or omitted from the Annual Financial Information or notices of Listed Events and Material Events. The College shall indemnify to the extent permitted by law the Authority and each of its members, officers and employees, past, present and future against any claims or expenses (including, without limitation, reasonable attorneys' fees) arising from any breach of this Disclosure Agreement or from information contained in or omitted from the Annual Financial Information or notices of Listed Events and Material Events.

Section 13. Controlling Law

This Disclosure Agreement and all matters arising out of or related to this Disclosure Agreement shall be governed by and construed in accordance with the laws of the Commonwealth, without regard to its conflict of laws principles.

Section 14. Successors and Assigns

All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the College or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15. Headings for Convenience Only

The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 16. Counterparts

This Disclosure Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, COMMUNITY COLLEGE OF PHILADELPHIA has caused this Disclosure Agreement to be executed and attested by the College President and Vice President for Business and Finance & Treasurer, respectively and its seal to be hereunto affixed and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** has caused this Disclosure Agreement to be executed by its duly authorized officers, and its seal to be hereunto affixed, all as of the day and year first above written.

COMMUNITY COLLEGE OF PHILADELPHIA

(SEAL)

By: ______________________________
President

Attest: ______________________________
Vice President for Business and Finance & Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Dissemination Agent

(SEAL)

By: ______________________________
Authorized Officer

Attest: ______________________________
Authorized Officer

Schedule 1

Annual Financial Information

The College will provide financial and operating data, including audited financial statements, generally consistent with the following information contained in the Official Statement, dated April 24, 2018, relating to the Bonds (the "Official Statement") within 270 days following the end of each fiscal year of the College beginning with the fiscal year ending June 30, 2018, including:

- Enrollment
- Student Fees and Charges

Schedule 2

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	State Public School Building Authority
Name of Bond Issue:	State Public School Building Authority (Commonwealth of Pennsylvania) College Revenue Bonds (Community College of Philadelphia Project), Series of 2018 (the "Bonds")
Name of College:	Community College of Philadelphia (the "College")
Date of Issue:	May __, 2018

NOTICE IS HEREBY GIVEN that the College has not provided its Annual Financial Information with respect to the Bonds as required by the Continuing Disclosure Agreement, dated as of May __, 2018, between the College and The Bank of New York Mellon Trust Company, N.A. The College anticipates that the Annual Financial Information will be filed by ______________.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
on behalf of Community College of Philadelphia

as Dissemination Agent

By: __________________________
Authorized Signatory

cc: Community College of Philadelphia

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APPENDIX C
FORM OF OPINION OF CO-BOND COUNSEL

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May 1, 2018

State Public School Building Authority
Harrisburg, Pennsylvania

Re: State Public School Building Authority College Revenue Bonds (Community College of Philadelphia Project), Series of 2018

Ladies and Gentlemen:

We have acted as co-Bond Counsel to the State Public School Building Authority (the "Authority") in connection with the issuance of its $24,155,000 College Revenue Bonds (Community College of Philadelphia Project), Series of 2018 (the "Bonds"). The Bonds are issued under and pursuant to the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), including particularly the State Public School Building Authority Act of 1947, P.L. 1217, as amended, and a Trust Indenture dated as of May 1, 2018 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement") among the Authority, PNC Capital Markets LLC (the "Underwriter") for the Bonds and the Community College of Philadelphia (the "College"), the Underwriter will purchase the Bonds from the Authority for a public offering price as more fully set forth therein.

The Bonds are being issued at the request of the College to provide financing for a project consisting of: (i) financing or reimbursing the College for costs of the renovation and improvement of its Library/Learning Commons facility located at its main campus, (2) refunding the Authority's outstanding College Revenue Refunding Bonds (Community College of Philadelphia Project, Series 2017) as reissued on April 30, 2018, and (3) paying the costs of issuing the Bonds (collectively, the "Project").

The proceeds of the Bonds are being loaned to the College pursuant to a Loan Agreement dated as of May 1, 2018 (the "Loan Agreement") between the Authority and the College pursuant to which the College is required to make payments in an amount sufficient to pay, among other things, the principal of and interest on the Bonds. To evidence its obligation under the Loan Agreement, the College is delivering to the Authority its General Obligation Note, Series of 2018 (the "Note"). The Authority has assigned its interest in the Loan Agreement (except certain rights as described therein) and the Note to the Trustee as security for the Bonds.

The Bonds will be limited obligations of the Authority, payable solely from certain payments to be made by the College to the Authority under the Loan Agreement and funds and accounts consisting of monies and securities held by the Trustee under the Loan Agreement.

The College has covenanted in the Tax Compliance Agreement dated as of this date, with respect to the Bonds (the "Tax Compliance Agreement") to comply with the requirements of Section 148(f) of the Code which provides for the rebate of certain arbitrage profits to the United States, and have further covenanted that the College shall not use proceeds of the Bonds or use or own the facilities financed or refinanced by the proceeds of the Bonds if such use would adversely affect the exclusion from gross income of interest on the Bonds. For the purposes of the opinions set forth below, we have assumed that the Authority and the College will comply with the covenants set forth in the Loan Agreement and the Tax Compliance Agreement relating to the tax exempt status of interest on the Bonds, and that the proceeds of the Bonds will be expended as required by and described in the Trust Indenture, the Loan Agreement, the Tax Compliance Agreement and the other relevant documents, agreements, instruments and certificates executed and delivered in connection with the issuance of the Bonds (collectively, the "Bond Documents").

In rendering this opinion, we have examined (a) such constitutional provisions and statutes of the Commonwealth, (b) the proceedings authorizing the issuance of the Bonds, and (c) such certificates, opinions, receipts and other documents, including original counterparts or certified copies of the Indenture, the Loan Agreement, the Tax Compliance Agreement and such other documents as we have deemed necessary. In making the aforesaid examinations, we have assumed and relied upon the truth, completeness, authenticity and due authorization of all documents and certificates examined and of the authenticity of all the signatures thereon and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation. In addition, we have assumed that all documents submitted to us as copies conform to the originals thereof. We have also assumed that the documents referred to herein have been duly authorized by all parties thereto other than the Authority and are, where appropriate, legally binding obligations of, and enforceable in accordance with their terms against all parties, except the Authority, and that the actions required to be taken with consent required to be obtained by such parties, have or will be taken or obtained.

In rendering this opinion, we have also assumed that the parties to the documents referred to herein, other than the Authority, have acted in full compliance with the terms of applicable laws, regulations and orders. We have relied upon the opinion of Barley Snyder LLP, Lancaster, Pennsylvania, counsel to the Authority, dated the date hereof, with respect to the due organization and existence of the Authority , the authorization, execution and delivery of the Indenture, the Loan Agreement, the Bonds and the Tax Compliance Agreement, and the validity and binding effect thereof on the Authority. We have also relied upon the opinion of Fox Rothschild LLP, Philadelphia, Pennsylvania, counsel to the College, dated the date hereof with respect to the due organization and existence of the College, the authorization, execution and delivery of the Loan Agreement, the Note and the Tax Compliance Agreement, and the validity and binding effect thereof on the College.

We have assumed that each party to the Bond Documents will carry out all obligations imposed on such party by the Bond Documents in accordance with the terms thereof and that all representations and certifications contained in the Bond Documents are accurate, true and complete.

On the basis of the foregoing and subject to the qualifications stated herein, we are of the opinion that, under existing law, as presently enacted and construed:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth, and has the power and authority to execute and deliver the Indenture and the Loan Agreement and to issue and deliver the Bonds.

2. The Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Authority and the obligations of the Authority under the Indenture and the Loan Agreement constitute binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.

3. The Bonds have been duly authorized, executed, issued and delivered by the Authority and are the binding limited obligations of the Authority and are enforceable against the Authority in accordance with their terms.

4. Under the laws of the Commonwealth, as presently enacted and construed on the date hereof, the Bonds are exempt from personal property taxes in the Commonwealth and interest on the Bonds is exempt from Commonwealth personal income and corporate net income tax.

5. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes under existing law, as currently enacted and construed. Interest on the Bonds is not an item of tax preference for purposes of the federal individual alternative minimum tax. Interest on the Bonds is included in computing a corporation's adjusted current earnings for taxable years beginning before January 1, 2018.

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Code are not met. The Authority and the College have covenanted in the Indenture, the Loan Agreement and the Tax Compliance Agreement to comply with all such requirements.

The purchasers of the Bonds should consult their own tax advisor as to collateral state or federal income tax consequences. We express no opinion regarding state or federal tax consequences arising with respect to the Bonds other than as expressly set forth in numbered paragraphs 4 and 5 hereof.

We express no opinion herein with respect to the perfection or priority of any lien or security interest or any other matter not set forth herein. We call your attention to the fact that the Bonds are limited obligations of the Authority, payable only out of certain revenues of the Authority and certain other monies available therefor as provided in the Bonds, and that the Bonds do not pledge the general credit of the Authority, or the credit or taxing power of the City of Philadelphia, the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Our opinions as to the validity, binding effect and enforceability of the Indenture, the Loan Agreement and the Bonds are subject to the effect of any applicable bankruptcy, fraudulent conveyance or transfer, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity, at law, or in bankruptcy).

These opinions are rendered on the basis of the laws of the Commonwealth and, as to numbered paragraph 5 hereof only, federal law, in both instances as enacted and construed on the date hereof. We express no opinion as to, and we assume no responsibility for, any matter or information not set forth in the numbered paragraphs above.

We undertake no obligation to supplement this opinion at any time to reflect events, occurrences and changes of law following the date of delivery of the Bonds. We express no opinion on, and do not undertake to render an opinion in the future on, any event which requires, as a condition precedent to such event, that bond counsel render an opinion to the effect that such event will not cause interest on the Bonds to be included in gross income for federal income tax purposes. Furthermore, no assurance can be given that any such opinion can, or could in the future, be rendered.

Very truly yours,

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APPENDIX D
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ________________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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