NEW ISSUE—BOOK-ENTRY ONLY

RATING: S&P: AA (Stable Outlook) (Insured)
Moody's: A3 (Stable Outlook) (Underlying)
(See Rating Herein)

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will not be includible in the gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and College with the requirements of the Internal Revenue Code of 1986, as amended. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.

$27,995,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Allegheny County Project), Series of 2021

Dated: Date of Delivery
Interest Due: January 15 and July 15

Principal Due: July 15, as shown on inside cover
First Interest Payment: July 15, 2021

The $27,995,000 College Revenue Bonds (Community College of Allegheny County Project), Series of 2021 (the "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 Bonds. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the registered owner, as 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 Bonds. Beneficial ownership in the 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 Bonds will be paid by U.S. Bank National Association, Pittsburgh, Pennsylvania, as trustee (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 Bonds will be payable commencing on July 15, 2021, and semiannually thereafter on January 15 and July 15 of each year (each, an "Interest Payment Date") by check mailed to the registered Bondholders as of the close of business on the applicable record date preceding each Interest Payment Date until the principal sum thereof is paid.

The Bonds will be issued by the State Public School Building Authority (the "Authority") and will be secured by a Trust Indenture dated as of the date of delivery of the Bonds (the "Indenture") between the Authority and the Trustee. The Bonds are limited obligations of the Authority, payable solely from the payments to be made by the Community College of Allegheny County (the "College") under a Loan Agreement dated as of the date of delivery of the Bonds (the "Loan Agreement") between the Authority and the College.

Proceeds of the Bonds will be used for: (1) refunding the Authority's College Revenue Bonds (Community College of Allegheny County Project), Series of 2012 and (2) to pay the costs of issuing and insuring the Bonds.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. NEITHER THE PRINCIPAL OR REDEMPTION PRICE OF THE BONDS, NOR THE INTEREST THEREON, SHALL CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER; CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF; OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the Bonds maturing July 15, 2024 and thereafter, with CUSIP numbers 85732M7M3, 85732M7N1, 85732M7P6, 85732M7Q4, 85732M7R2, 85732M7S0, 85732M7T8, 85732M7U5, 85732M7V3, 85732M7W1, 85732M7X9 (collectively, the "Insured Bonds") when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM").

BAM

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

The Bonds are offered for delivery when, as and if issued by the Authority and received by the Underwriters and subject to the approving legal opinion of Mette, Evans & Woodside of Harrisburg, Pennsylvania, 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, for the College by its counsel, Andrew F. Szefi, Esquire, Pittsburgh, Pennsylvania and for the Underwriters by their counsel Clark Hill PLC, Pittsburgh, Pennsylvania. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Financial Advisor to the Authority. It is expected that the Bonds will be available for delivery through DTC, on or about May 4, 2021.

RAMIREZ & CO., INC. **RAYMOND JAMES**

Official Statement Dated: March 31, 2021.

$27,995,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Community College of Allegheny County Project)
Series of 2021

Dated: Date of Delivery
Interest Due: January 15 and July 15

Principal Due: July 15, as shown on below
First Interest Payment: July 15, 2021

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers[1]
2021	$880,000	4.000%	0.170%	100.754%	85732M7J0
2022	890,000	5.000	0.230	105.699	85732M7K7
2023	935,000	5.000	0.310	110.261	85732M7L5
2024*	985,000	5.000	0.500	114.254	85732M7M3
2025*	1,035,000	5.000	0.670	117.890	85732M7N1
2026*	2,060,000	5.000	0.830	121.167	85732M7P6
2027*	2,475,000	5.000	0.980	124.112	85732M7Q4
2028*	2,285,000	5.000	1.140	126.597	85732M7R2
2029*	2,415,000	5.000	1.280	128.859	85732M7S0
2030*	2,530,000	5.000	1.410	130.862	85732M7T8
2031*	2,665,000	5.000	1.500	132.978	85732M7U5
2032*	2,805,000	5.000	1.580**	132.091**	85732M7V3
2033*	2,950,000	5.000	1.660**	131.210**	85732M7W1
2034*	3,085,000	4.000	1.830**	120.100**	85732M7X9

[1]The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Authority nor the Underwriters have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Insured Bond.
**Yield/Priced to Optional Redemption Date of July 15, 2031.

No dealer, broker, salesman or other person has been authorized by the Authority, the College or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the College and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters or the Authority or, as to information from other sources, by the College. The information and expressions of opinion herein are subject to change without notice and 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 the affairs of the Authority or the College or with respect to other matters sets forth herein since the date hereof.

The Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been and will not be qualified under the Trust Indenture Act of 1939 because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured 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 C - Specimen Municipal Bond Insurance Policy".

TABLE OF CONTENTS

STATE PUBLIC SCHOOL BUILDING AUTHORITY

EXECUTIVE DIRECTOR

ERIC GUTSHALL

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(Appointed by the Office of General Counsel)
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Lancaster, Pennsylvania

TRUSTEE

U.S. BANK NATIONAL ASSOCIATION
Pittsburgh, Pennsylvania

BOND COUNSEL

(Appointed by the Office of General Counsel)
METTE, EVANS & WOODSIDE
Harrisburg, Pennsylvania

UNDERWRITERS

SAMUEL A. RAMIREZ & CO., INC.
New York, New York

RAYMOND JAMES & ASSOCIATES, INC.
New York, New York

UNDERWRITERS' COUNSEL

CLARK HILL PLC
Pittsburgh, Pennsylvania

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STATE PUBLIC SCHOOL BUILDING AUTHORITY
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ALLEGHENY COUNTY, PENNSYLVANIA

COLLEGE PRESIDENT
DR. QUINTIN B. BULLOCK

VICE PRESIDENT OF FINANCE
DR. BRIAN McCLOSKEY

COUNTY SOLICITOR
COUNSEL TO THE COLLEGE
ANDREW F. SZEFI, ESQUIRE
Pittsburgh, Pennsylvania

FINANCIAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

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U.S. BANK NATIONAL ASSOCIATION
Pittsburgh, Pennsylvania

COLLEGE ADDRESS
800 Allegheny Avenue
Pittsburgh, Pennsylvania 15233-1895

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OFFICIAL STATEMENT

$27,995,000

STATE PUBLIC SCHOOL BUILDING AUTHORITY

(Commonwealth of Pennsylvania)

College Revenue Bonds (Community College of Allegheny County Project), Series of 2021

INTRODUCTION

This Official Statement which includes the cover page hereof and the Appendices hereto, provides certain information relating to the $27,995,000 aggregate principal amount of the State Public School Building Authority College Revenue Bonds (Community College of Allegheny County Project), Series of 2021 (the "Bonds"). The Bonds are being issued by the State Public School Building Authority (the "Authority") 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 February 18, 2021 (the "Resolution"), and are secured by a Trust Indenture dated as of the date of delivery of the Bonds (the "Indenture"), entered into by the Authority and U.S. Bank National Association, as Trustee (the "Trustee").

The Authority is a body corporate and politic created in 1947 by the Act. Under the Act, the Authority is constituted a public corporation and governmental instrumentality, having perpetual existence, for the purpose of acquiring, financing, refinancing, constructing, improving, maintaining and operating public school and educational broadcasting facilities, and furnishing and equipping the same 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 of Education"). 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 Allegheny County (the "College") is a community college offering more than 152 programs. See "Community College of Allegheny County" herein for certain additional information concerning the College.

For certain information regarding the impact of the COVID-19 pandemic on the College, see "BONDHOLDERS' RISKS – Recent Events Relating to COVID-19" and "2020-21 BUDGET – COVID-19 Matter".

PURPOSE OF THE BOND ISSUE

Proceeds of the Bonds will be used for: (1) refunding the Authority's College Revenue Bonds (Community College of Allegheny County Project), Series of 2012 currently outstanding in the aggregate principal amount of $33,875,000 (the "2012 Bonds") and (2) to pay the costs of issuing and insuring the Bonds.

Upon issuance of the Bonds, a portion of the proceeds of the Bonds will be irrevocably deposited with U.S. Bank National Association, the Trustee for the 2012 Bonds, in an amount sufficient to redeem all of the 2012 Bonds being refunded at a redemption price of 100% of the principal amount thereof plus accrued interest on July 15, 2021.

Sources and Uses of Bond Proceeds

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

SOURCE OF FUNDS	Total
Par Amount	$27,995,000.00
Original Issue Premium	6,916,963.40
Total Sources of Funds	$34,911,963.40
USE OF FUNDS	
Amount Required to Call the 2012 Bonds	$34,512,900.00
Cost of Issuance[1]	399,063.40
Total Uses of Funds	$34,911,963.40

[1]Includes legal, financial advisor, printing, rating, total bond discount, municipal bond insurance premium, trustee and miscellaneous costs.

THE AUTHORITY

The Authority and the Pennsylvania Higher Educational Facilities Authority (PHEFA), (together, the "Authorities") share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The Authority serves as a conduit issuer for school districts, community colleges and 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 Bonds.

Under the Act, the Authority Board 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 Bonds are being issued by the Authority on behalf of the College pursuant to the Act, the Indenture and the Resolution. 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 Bonds will be pledged to the payment of any other of its bonds/notes.

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

Eric Gutshall
Executive Director

Mr. Gutshall was appointed by Governor Wolf as Executive Director of the Authority and PHEFA on December 9, 2019. He previously served as Governor Wolf's Secretary of Intergovernmental Affairs and as Director of Constituent Services. He obtained his Bachelor of Science degree in Business Administration from Central Pennsylvania College and his Master of Public Administration from the University of Pennsylvania.

Beverly M. Nawa
Director of Operations

Ms. Nawa serves as the Director of Operations of both the Authority and PHEFA. She has been with the Authority and PHEFA since 2004. She served as Acting Executive Director from October 2018 to December 2019. Ms. Nawa is a graduate of Alvernia University with a bachelor's degree in business administration.

David Player
Comptroller and Director of Financial Management

Mr. Player serves as the Comptroller and Director of Financial Management of both the Authority and PHEFA. He has been with the Authority and PHEFA since 1999. Mr. Player is a graduate of The Pennsylvania State University and a Certified Public Accountant.

THE BONDS

Description of the Bonds

The Bonds are being issued by the Authority on behalf of the College.

The 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 January 15 and July 15 of each year (each, an "Interest Payment Date"), commencing July 15, 2021 (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 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 Bonds. While the 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 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 Bonds will be issued in fully registered form in denominations of $5,000 or any multiple thereof. While all of the 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 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 Bonds on the registration books maintained by the Trustee, at the close of business on the fifteenth (15^{th}) day (whether or not a business day) next preceding each Interest Payment Date (a "Record Date"), irrespective of any transfer or exchange of any 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 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 Bonds not fewer than fifteen (15) business days preceding such special record date.

The Bonds may be transferred or exchanged by the registered owner thereof only upon presentation thereof to the Trustee, accompanied by a duly executed instrument of transfer by the registered owner thereof or his authorized representative, and, in the case of a transfer, containing written instructions as to the details of such transfer. Neither the Authority nor the Trustee will be required to issue, exchange or transfer any of the Bonds during the fifteen (15) days preceding the mailing of any notice of redemption of Bonds or to transfer any of the Bonds selected for redemption in whole or in part. The person in whose name any Bond is registered shall be deemed the owner thereof by the Authority and the Trustee, and any notice to the contrary shall not be binding upon the Authority or the Trustee.

No service charge will be made to the Bondholders of the Bonds for any exchange or transfer, but the Authority may require payment of a sum sufficient to pay any tax or other governmental charge that may be imposed in relation thereto. In the event any Bond is mutilated, lost, stolen, or destroyed, the Authority may execute and the Trustee may authenticate a new Bond of like tenor and denomination in accordance with the provisions of the Indenture, and the Authority and the Trustee may charge the registered owner of such Bond with its reasonable fees and expenses and require indemnity in connection therewith.

Use of Proceeds

Pursuant to the Loan Agreement (as hereinafter defined), the Authority will lend the proceeds of the bonds to the College, which will use such proceeds as more fully described herein under "PURPOSE OF THE BOND ISSUE".

Transfer, Exchange and Registration of Bonds

Each Bond is transferable by the registered owner thereof in person or by his attorney duly authorized in writing or legal representative at the office of the Trustee in Pittsburgh, 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 by the Indenture, and upon surrender and cancellation of such Bond accompanied by a duly executed instrument of transfer in form and with guarantee of signature satisfactory to the Trustee. Upon such transfer, a new Bond or 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 Bond may be exchanged by the registered owner or by his duly authorized attorney or other legal representative for 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 (i) between the Record Date and the related Interest Payment Date, (ii) during a period beginning at the opening of business (15) days before the date of the mailing notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (iii) for any Bonds so selected 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 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.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy") for the Bonds maturing on July 15, 2024 and thereafter, with CUSIP numbers 85732M7M3, 85732M7N1, 85732M7P6, 85732M7Q4, 85732M7R2, 85732M7S0, 85732M7T8, 85732M7U5, 85732M7V3, 85732M7W1, 85732M7X9 (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 Appendix C 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, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $485.4 million, $160.7 million and $324.7 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 Insured Bonds or the advisability of investing in the Insured 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 www.buildamerica.com/videos. (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 www.buildamerica.com/credit-profiles. 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 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 Insured Bonds, whether at the initial offering or otherwise.

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 Bonds (the "Securities"). The Securities 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 the Securities, 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 3.5 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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities 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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities: DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities 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 Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Securities 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 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 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 Bonds;

(ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than the registered owner of a Bond, as shown in the Bond Register, of any notice with respect to any 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 Bonds;

(iv) the payment to any DTC Participant or Indirect Participant or any other Person other than the registered owner of a Bond, as shown in the Bond Register, of any amount with respect to the principal of, redemption price, or interest on, any 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 Bonds for all purposes, including, without limitation:

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

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

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

(iv) the selection of Bonds for redemption.

The Beneficial Owners of the Bonds have no right to a securities depository for the Bonds. DTC or any successor securities depository may resign as depository for the Bonds by giving notice to the Trustee and the Authority and discharging its responsibilities under applicable law. In addition, the Authority, or the Authority at the request of the College, may remove DTC or a successor securities depository for any reason at any time. In such event, the Authority shall: (i) appoint a securities depository qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, notify the prior securities depository of the appointment of such successor depository and transfer separate bond certificates to such successor securities depository; or (ii) notify the securities depository of the availability through the securities depository of bond certificates and transfer one or more separate bond certificates to Depository Participants having Bonds credited to their accounts at the securities depository. In such event, such 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 Bonds shall designate, in accordance with the provisions of the Indenture.

Discontinuance of Book-Entry Only System

The book-entry only system for registration of the ownership of the Bonds may be discontinued at any time if: (i) DTC determines to resign as securities depository for the Bonds; or (ii) 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 either such event (unless the Authority appoints a successor securities depository), Bonds will then be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated 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 notice to arrange for another securities depository to maintain custody of certificates evidencing the 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 BONDS (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE 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 BONDS

Optional Redemption

The Bonds stated to mature on or after July 15, 2032, are subject to redemption prior to maturity, at the option of the Authority at the direction of the College, as a whole or, from time to time, in part, (and if in part, in such maturity or maturities as the College shall select for redemption and within a maturity by lot), on July 15, 2031, or on any date thereafter, upon payment of a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. If less than all Bonds of any maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Trustee.

Extraordinary Optional Redemption

The Bonds are subject to extraordinary redemption prior to maturity, in whole or from time to time in part, in any order of maturity and in any principal amount within a maturity designated by the College and drawn by lot, on any date, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount redeemed, plus accrued interest to the date of redemption, but only in the event that all or a portion of the College Facilities (as defined in the Indenture) financed or refinanced with the proceeds of the Bonds are condemned or sold under threat of condemnation, damaged or destroyed and it is determined by the College that repair 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 and deposited for such purposes with the Trustee.

Notice of Redemption

Notice of any redemption shall be given by depositing a copy of the redemption notice by first class mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Trustee, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Indenture, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

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

Manner of Redemption

If a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by $5,000, each $5,000 portion of such Bonds being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

SOURCE OF PAYMENT AND SECURITY FOR THE BONDS

College Loan Payments

The Authority will enter into a Loan Agreement dated as of the date of delivery of the Bonds (the "Delivery Date") (the "Loan Agreement") with the College pursuant to which the Authority will lend the proceeds of the Bonds to the College for the purpose of paying costs of the Project. Under the Loan Agreement the College will agree to repay such loan in such amounts and at such times as will provide sufficient funds to meet the debt service requirements on the Bonds. The College will deliver its general obligation note dated as of the Delivery Date (the "Note") to the Authority evidencing its payment obligations under the Loan Agreement.

The Bonds will be secured under the Indenture by the assignment and pledge to the Trustee of the payments under the Note and the Loan Agreement. The full faith and credit of the College has been pledged for the timely payment of all amounts due under the Note. The payments due under the Note are payable from the College's general revenues from whatever source derived, including local sponsor contributions. (See "Community College Funding Structure"). **The College has no taxing power.**

The Authority, at the time of settlement for the Bonds, will assign all its right (except the right to indemnification, the right to payment of certain fees and expenses, if any, and the right to receive notices), title and interest in the Note and Loan Agreement and the payments thereunder to the Trustee. The Bonds will be secured by and payable under the Indenture from the funds held by the Trustee and payments made pursuant to the Note and Loan Agreement.

THE AUTHORITY HAS NO TAXING POWER. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, OR THE INTEREST ON, THE BONDS; NOR SHALL ANY OF THE BONDS BE DEEMED GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF.

Additional Bonds

The Authority may issue Additional Bonds (as defined and in accordance with the Indenture) on parity with the Bonds (other than with respect to certain funds under the Indenture). In connection with the issuance of Additional Bonds, additional funds may be established under the Indenture for the benefit of such additional series of bonds. In such event, the holders of the Bonds will have no claims or right to any such funds. For a description of the conditions under which such Additional Bonds may be issued, see "SUMMARIES OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE- The Indenture" herein.

COMMUNITY COLLEGE FUNDING STRUCTURE

The College's annual operating and capital budget is set by the College Board of Trustees and approved by the County of Allegheny (the "County"), as the local sponsor (the "Local Sponsor"). Management of the College's approved budget, as set forth by the College Board of Trustees, is the responsibility of the College administration. The President and the other staff members assume responsibility for fiscal control in their respective areas of responsibility.

Community colleges in the Commonwealth are organized pursuant to the Community College Act and supported by local sponsors in accordance with a community college plan approved by the Department of Education. The Community College Act provides for funding for community colleges from three sources: the Commonwealth, the Local Sponsor, and student tuition and fees charges, in each case subject to certain formulas and limits. For the College during the 2020-21 fiscal year, the budgeted shares of each funding source are as follows: the Commonwealth (Base Funding 23.6%, Economic Development Stipend 5.3% and capital contribution 4.2%), 33.1%, the Local Sponsor, 21.2%, and tuition and other revenues of the College, 45.7%.

Taxing Power of Local Sponsors Regarding Community Colleges

The Community College Act authorizes, but does not require, the governing body of each school district or municipality comprising a local sponsor of a community college to levy annual taxes 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 Local Sponsor has not levied such a tax with respect to the College.

Local Sponsor Obligation

Operating Costs. The Community College Act stipulates that the Local Sponsor shall appropriate or provide to the community college an amount at least equal to the community college's annual operating costs, less the student tuition and less the Commonwealth's payment for operating costs. Of the College's total annual operating costs, up to one-third may be collected from students in the form of tuition and the balance is to be provided by the local sponsor and the Commonwealth. The Local Sponsor paid to the College in fiscal year ending June 30, 2020 a total of $26,972,526 of which $22,422,526 was used toward the College's annual operating expenses.

Capital Expenses. The local sponsor is obligated under the Community College Act to pay one-half of the College's annual capital expense (including debt service). For the fiscal year ending June 30, 2020, the Local Sponsor contributed a total of $4,550,000 towards the College's annual capital expenses. Remaining capital expenditures are funded through the capital fees which are assessed to non-sponsored students on a per credit basis. The Commonwealth is also responsible for one-half the annual capital expenses. See "Commonwealth Obligation" below.

Commonwealth Obligation

Act 46 has revised the Commonwealth funding formula for the community colleges, and the issue of capital funding continues to be addressed. Under the terms of Act 46, each community college receives at least the base amount that it received the year before. No college can lose this base funding. In addition, each college will be eligible for a share of an "Economic Development Stipend" pool of funds. The College received operating funding from the State during fiscal 2020 in the amount of $36,356,578 for its "base" and "Economic Development Stipend" funding. A special Community College Capital Fund has also been established. The Act 46 funding formula assures that the College will know its State operating appropriation for each fiscal year before the year begins, and this amount will not be subject to audit disallowances as in years prior to fiscal year ending June 30, 2006. However, the amount of operating reimbursement is no longer a set amount per full-time equivalent student. Instead, the College's share of the State's total operating appropriation for all the State community colleges is determined by how its (the College's) rate of enrollment growth, particularly in areas of study targeted by the State as high priority, compares to the rate of enrollment growth of the other community colleges.

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 of Education.

The Note is a general obligation of the College and payable from any general revenues including Local Sponsor and Commonwealth appropriations.

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 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 that may be necessary to be withheld with respect to the Note or the Loan Agreement would be payable to the Trustee under the Indenture. Based on the College's maximum annual debt service after issuance of the Bonds and the amount of Commonwealth operating and capital expense appropriations presently budgeted by the College, the Commonwealth coverage of the College's maximum anticipated debt service would currently be approximately one-half.

All community college subsidies in the Commonwealth are subject to appropriation by the Pennsylvania 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. The allocation formula pursuant to which the Commonwealth distributes such subsidies to the various community colleges throughout the Commonwealth may be amended at any time by the Pennsylvania General Assembly. 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 pending the authorization and payment of Commonwealth aid. Consequently, there can be no assurance that financial support from the Commonwealth of 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.

BONDHOLDERS' RISKS

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

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. 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. Additionally, Commonwealth subsidies are subject to annual appropriation. See "**COMMUNITY COLLEGE FUNDING STRUCTURE**" herein.

Potential Effects of Bankruptcy

If the College were to file a petition for relief under Chapter 11 of 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 affected thereby.

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 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

The College has not 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 ALLEGHENY COUNTY—Accreditation**" herein. However, such accreditation is subject to periodic review and no assurances can be given that such accreditation may not, in the future, be suspended or withdrawn, due to a failure by the College to maintain one or more standards of excellence necessary to support its current accreditation status. Any such suspension or withdrawal, if it were to occur, could be expected to have an adverse effect on student enrollments.

Bond Insurance Risk Factors

The College has purchased the Policy to guarantee the scheduled payment of principal and interest on the Bonds. As such, the following are risk factors relating to the bond insurance.

In the event of a failure of the Authority to make a scheduled payment of principal or interest with respect to the Bonds when all or some becomes due, the Trustee on behalf of any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure the payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds which is recovered from the Bondholder as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment unless the Insurer, in its discretion, chooses to pay such amounts at an earlier date.

Default of payment of principal and interest does not result in an acceleration of the obligations of the Insurer unless the Insurer consents thereto. The Insurer may direct and must consent to any remedies. The Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength and claims paying ability of the Insurer. The Insurer'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 the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) of the Bonds. See "**BOND RATING**" herein.

The obligations of the Insurer are unsecured obligations of the Insurer and upon any default by the Insurer the remedies available may be limited by applicable insurance law or other laws related to insolvency.

Neither the College, the Underwriters nor the Authority have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the College to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "**MUNICIPAL BOND INSURANCE**" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

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

(d) 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.

(e) 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.

(f) Increased costs and decreased availability of public liability insurance.

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

(h) Cost and availability of energy.

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

(j) 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.

(k) Decreases in student retention and graduation rates.

(l) Unknown Litigation.

(m) Safety and security incidents including data breaches.

(n) Factors that may adversely affect the College's reputation and image.

The foregoing is NOT an exhaustive list of all possible factors that could adversely impact the ability of the College to make payments on the Bonds and under the Loan Agreement, which are the source of payment of the Bonds.

Recent Events Relating to COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth. Governor Tom Wolf declared a state of emergency in the Commonwealth on March 6, 2020, as amended and renewed thereafter. As of July 3, 2020, all counties in the Commonwealth are in the green phase, which eased most restrictions by lifting the stay-at-home and business closure orders. On December 10, 2020, Governor Wolf announced additional temporary COVID-19 protective mitigation measures throughout the Commonwealth, including the prohibition of all in-person indoor dining, indoor gatherings and events of more than 10 persons (excluding churches, synagogues, temples, mosques, and other places of congregate worship), outdoor gatherings and events of more than 50 persons, indoor operations at gyms and fitness facilities, as well as many other restrictions or prohibitions aimed at reducing the spread of COVID-19. These orders went into effect at 12:01 am on December 12, 2020 and remained in effect until 8:00 am on January 4, 2021. No assurance can be given that the Commonwealth or any particular county in the Commonwealth will remain in the green phase or not return to a more restrictive phase as conditions warrant as determined by the Pennsylvania Department of Health.

It is anticipated that continued spread of COVID-19 and impact on social interaction, travel, economics and financial markets will adversely affect the College's operations and financial condition. However, because of the unknown duration and trajectory of the COVID-19 pandemic and evolving nature of the federal, state, and local responses thereto, the College cannot presently predict with reasonable degree of certainly the extent to which the pandemic will affect the College's financial conditions or operations.

Potential impacts include, but are not limited to, the following:

- A portion of the College's operations depends on student tuition and fees, and the inability to retain a material number of students may have a material impact on the College's results of operations and financial condition.
- A portion of the College's revenue comes from the Pennsylvania Department of Education and the Commonwealth. The ability for the Commonwealth to continue funding the College at historical levels may be impacted by overall declines in the Commonwealth's state income taxes, sales taxes, and other taxes and revenues.
- A portion of the College's revenues comes from Allegheny County. These revenues may be impacted by fiscal challenges faced by the County in general, including the pandemic's impact on the collection rate of property taxes as well as other economically sensitive revenues.
- The relative geographic concentration of the College's potential students could expose the College to risks associated with regional demographics, local and regional economics, and other local and regional adverse conditions.
- The ability of international students to (i) travel to the College's campus or (ii) obtain necessary student visas may continue to be limited by governmental limitations on travel from other countries or to the United States.
- The College's operations face operating hazards and potential interruptions from the COVID-19 pandemic and other health emergencies, including related governmental-imposed limitations on operations, which could limit the enrollment of students and result in unplanned losses of revenue and/or higher than anticipated operating expenses. The College could face materially adverse effects on its net operating income to the extent COVID-19 and the governmental response thereto cause a material decline in its results of operations.
- Government and non-governmental funding and sponsored research and philanthropic grants and gifts could be reduced.
- The College's ability to comply with governmental mandates may limit its ability to operate its business as currently anticipated.
- Costs of maintaining the current online curriculum, compliance with new governmental mandates, laws and regulations, as well as potential liabilities arising from re-opening on-campus instruction, and capital expenditures required to fulfill its mission may each materially adversely affect future financial performance and results of operations.
- The College's ability to forecast future financial conditions or results of operations and future revenues and expenses may be limited due to current facts and circumstances and historical performance, which may or may not be applicable to future performance and results of operations.
- Adverse effects on financial markets may adversely affect the returns on and value of the College's or Foundation's (hereinafter defined) investments and endowment performance and market values.

The College is monitoring developments and directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by the College in connection with the continuing COVID-19 pandemic and the return to traditional on-campus instruction. The full impact of COVID-19 and the scope of any adverse impact on College finances and operations cannot be fully determined at this time due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities and other institutions to contain or mitigate its impact.

For further discussion see "COMMUNITY COLLEGE OF ALLGHENY COUNTY - COVID-19 Matters".

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

Overview and Philosophy

The College was founded in 1965, and classes began in 1966. It is the second largest community college in Pennsylvania, serving metropolitan Pittsburgh and the Allegheny County region. The College strives to prepare members of its community with the knowledge and critical skills they need to adapt to challenges in life and employment. To this end, the College helps its students develop the following abilities: to learn throughout their lives; to change and grow; to develop a depth of knowledge on the job and in life; to understand and value diversity; to be sensitive to the needs and feelings of others and to be contributing members of their communities. The College does all this as an affordable open admissions institution committed to providing students with support services to assist them in achieving their goals.

Accreditation

The College is fully accredited by the Middle States Commission on Higher Education and its health programs by the Commission on Accreditation of Allied Health Education Programs (CAAHEP) of the American Medical Association and the National League for Nursing Accrediting Commission (NLNAC). It is also approved and registered by the Department of Education.

Campuses, Curriculum and Programs

In 2019-20, the College's four campuses and more than 4 off-campus centers enrolled approximately 24,599 students in 152 credit degree programs and approximately 1,162 in non-credit, continuing education courses. The College offers classes in the fall and spring semesters, during the summer, both day and evening, and on the weekends. College credit enrollments decreased 6% between 2018-19 and 2019-20. With 4 campuses and 4 off-campus centers, the College is Pennsylvania's second largest community college and ranks among the largest in the United States. The College offers associate degree programs in the arts, humanities, education, business, secretarial studies, computer science, engineering and engineering technologies. It also offers health service degree programs which include histology, nuclear medicine and radiation therapy technology.

Approximately 44% of the College's credit students are between ages 18 and 22. The mean student age is 27 years. The College's classrooms include large numbers of both recent high school graduates and returning adult learners. Approximately 35% of the College's students attend classes on a full-time basis while 68% of the degree students attend at least one daytime class. Approximately 14% of the College's students are enrolled in courses that develop the skills for college learning. Over 48% of the College's students return from one fall to the next.

Over 152 programs prepare approximately 21% of the College's students through university-parallel education for transfer to four-year colleges and universities. In 2019-2020 the College graduated 2,486 students. Over 79% of the graduates who sought employment found it, while 400, or 16%, of the graduates transferred to other institutions. The College's programs are divided into eight areas, including university-parallel, business career, computer technologies, health career, social services, applied arts, applied trade, and engineering science. The College graduates the largest number of health technicians in Pennsylvania and operates one of the largest nursing schools in the nation.

Governance

The College is governed by a Board of Trustees comprised of 15 members. Pursuant to the Community College Act, the County, as the Local Sponsor of the College, is responsible for appointing the Board of Trustees. Presently, Mona N. Generett, PhD serves as Chairman of the Board and Honorable Jay Costa, Jr., JD serves as Treasurer. Dr. Quintin B. Bullock is the President of the College and Dr. Brian McCloskey serves as Vice President of Finance.

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

	2017	2018	2019	2020	2021
Faculty (Full-Time)	240	238	228	216	213
Faculty (Part-Time)*	1,534	1,498	1,539	1,366	857
Administrators (Full-Time)	197	202	201	185	190
Support Staff (Full-Time)	272	265	266	240	239
Technical/Para-Professionals	40	45	45	44	42

*Includes credit and non-credit adjunct faculty.
Source: The College.

Employee Contracts

The College's various employee groups are represented by three separate and distinct collective bargaining agreements. The full--time faculty are represented by the American Federation of Teachers Local 2067, AFL-CIO, under a contract which expired August 31, 2020 and was extended via a Memorandum of Understanding through December 31, 2020. Per the provisions of the previous contract, the parties are operating under the terms of the expired contract while negotiating a new contract. The adjunct credit faculty are represented by the American Federation of Teachers Local 2067, AFL-CIO, under a contract which expires June 30, 2022. The clerical, technical, maintenance and custodial staff are represented by the Service Employees International Union Local 668; AFL-CIO under a contract which expires August 31, 2021.

Enrollment

The College's full-time equivalent enrollment for each of the fiscal years set forth below was as follows:

Fiscal Year	Credit	Non-Credit	Total FTE
2016	26,948	1,245	28,193
2017	26,673	1,470	28,143
2018	27,027	1,709	28,736
2019	26,165	1,601	27,766
2020	24,599	1,162	25,761

Source: The College.

Revenue and Expense Summary

The following table sets forth a summary of the College's unrestricted current fund revenues, expenditures and transfers for each of the fiscal years set forth. Fiscal years 2016-2020 are derived from audited financial statements. For further information regarding 2020 and 2019 see Appendix A- Financial Statements as of and for the years ended June 30, 2020 and 2019, and Independent Auditors' Report.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
STATEMENT OF REVENUES AND CHANGES IN NET ASSETS

	2016	2017	2018	2019	2020
OPERATING REVENUES:					
Student tuition and fees--net of scholarship allowances	$31,625,956	$35,194,775	$32,517,434	$34,410,011	$31,289,071
Federal grants and contracts	5,117,237	6,098,970	7,372,856	7,016,528	10,601,710
State and local grants and contracts	2,335,134	2,529,615	2,315,306	2,909,017	2,881,016
Nongovernmental grants and contracts	2,894,706	2,664,692	2,792,113	2,962,832	3,680,320
Auxiliary enterprises:					
Bookstore	728,754	688,777	649,850	667,338	487,301
Total Operating Revenues	$42,701,787	$47,176,829	$45,647,559	$47,965,726	$48,939,418
OPERATING EXPENSES:					
Instruction	44,890,768	49,384,496	50,676,203	51,440,504	47,224,836
Academic support	8,791,211	9,448,345	9,279,813	8,807,490	7,960,029
Student services and activities	12,802,417	13,949,442	14,791,796	15,183,269	12,612,171
Institutional support	22,925,587	23,804,008	24,160,250	25,725,723	29,195,762
Plant operations and maintenance	14,688,471	15,239,455	15,980,545	16,573,675	14,959,716
Scholarships and fellowships (financial aid)	6,026,214	7,115,021	5,779,581	7,904,952	10,363,943
Depreciation	7,670,353	7,891,663	8,598,627	8,965,261	9,718,936
Auxiliary enterprises:					
Bookstore	71,236	68,172	63,654	78,452	111,870
Other auxiliary services					
Total Operating Expenses	$117,866,257	$126,900,602	$129,330,469	$134,679,326	$132,147,263
Operating Loss	($75,164,470)	($79,723,773)	($83,682,910)	($86,713,600)	($83,207,845)
NONOPERATING REVENUES (EXPENSES):					
Government appropriations					
Commonwealth of Pennsylvania	$37,738,154	$38,580,004	$39,049,249	$40,324,950	$41,002,110
Allegheny County	24,179,369	24,662,956	25,156,215	26,159,339	26,972,526
U.S. Government	22,730,629	21,763,266	22,727,959	21,036,660	19,766,374
Investment income	26,892	60,098	198,444	686,161	450,227
Foundation and other income	447,615	800,750	771,299	771,328	699,563
Interest expenses and capital asset-related debt	(2,409,748)	(2,225,851)	(2,490,166)	(3,068,841)	(2,714,053)
Other nonoperating (expenses) revenues	222,551	303,833	70,389	203,990	175,428
Total nonoperating revenues	$82,935,462	$83,945,056	$85,483,389	$86,113,587	$86,352,175
INCREASE (DECREASE) IN NET ASSETS	$7,770,992	$4,221,283	$1,800,479	($600,013)	$3,144,330
NET ASSETS - Beginning of year	$108,523,779	$116,294,771	$120,516,054	$122,316,533	$121,716,520
NET ASSETS - End of year	$116,294,771	$120,516,054	$122,316,533	$121,716,520	$124,860,850

Source: The College.

Budgetary Procedures

The College's annual budget preparation is coordinated by the Vice President for Finance in consultation with the President and certain other officers of the College, and then approved by the Board of Trustees. Revenues to support the budget come from the County, student tuition, grants and contracts and the Commonwealth.

Student tuition is set by the College's Board of Trustees.

Management of the College's approved budget, as set forth by the College's Board of Trustees, is the responsibility of the Vice President for Finance as delegated by the President.

The County appropriated $27,495,977 in the County fiscal year 2020 (the County fiscal year coincides with the calendar year). The County appropriation for its fiscal year 2021 (calendar 2021) is $28,029,897 ($27,229,897 operating budget appropriation and $800,000 capital budget appropriation. The Commonwealth is responsible for funding one-third of the operating expenses and one-half of the capital budget. As Local Sponsor, the County is responsible for the remaining operating expenditures less student tuition and fees, interest income and reserves and one-half of the capital budget. The following table sets forth a summary of the College's fund revenues and expenditures as budgeted for 2020-21. The 2020-21 budget does not include estimates for stimulus funds from the federal government.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
2020-21 BUDGET

Sources of Funds	**BUDGET 2020-21**
Student Revenue	
Credit Tuition and Fees	$51,449,031
Non-Credit Tuition and Fees (other than ad vocational/recreational)	1,395,294
Avocational/Recreational	1,585,595
Subtotal	$54,429,920
State Contribution	
Base Funding	$29,712,035
Economic Development Stipend	6,644,543
Debt Service & Leases	5,314,425
Subtotal	$41,671,003
County Contribution	26,695,977
Business & Industry Income	1,019,111
Transfer from Capital and Compelling Needs Reserve	1,402,187
Misc. Fees & Other Income	660,591
TOTAL SOURCES OF FUNDS	$125,878,789
USE OF FUNDS	
Credit Instruction	$46,646,884
Continuing Education	5,757,026
Academic Support	6,130,017
Student Services	11,551,961
Institutional Support	24,838,504
Plant Operations	17,589,732
Equity Contribution to Capital Projects	2,258,907
Debt Service	9,614,983
Space Leases	251,830
Furniture & Equipment Leases	1,238,945
TOTAL EXPENSES	$125,878,789

Source: College officials.

Debt Statement

The table below shows the outstanding debt of the College as of March 31, 2021, including the issuance of the Bonds.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
DEBT STATEMENT
(as of March 31, 2021)

	Gross Outstanding
College Revenue Bonds, Series of 2021	$27,995,000
College Revenue Bonds, Series of 2020	18,010,000
College Revenue Bonds, Series A of 2019	6,595,000
College Revenue Bonds, Series B of 2019	1,835,000
College Revenue Bonds, Series of 2018	18,595,000
College Revenue Bonds, Series of 2016	7,035,000
College Revenue Bonds, Series of 2015	3,230,000
TOTAL DEBT	$83,295,000

Debt Service Requirements

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

Fiscal Year	Total Other Debt*	Series of 2021 Principal	Series of 2021 Interest	Series of 2021 Subtotal	Total Requirements
2021	$8,353,291	$0	$0	$0	$8,353,291
2022	6,285,675	880,000	930,692	1,810,692	8,096,367
2023	6,292,425	890,000	1,302,650	2,192,650	8,485,075
2024	6,297,806	935,000	1,257,025	2,192,025	8,489,831
2025	6,300,569	985,000	1,209,025	2,194,025	8,494,594
2026	6,299,556	1,035,000	1,158,525	2,193,525	8,493,081
2027	4,400,331	2,060,000	1,081,150	3,141,150	7,541,481
2028	3,274,138	2,475,000	967,775	3,442,775	6,716,913
2029	3,262,100	2,285,000	848,775	3,133,775	6,395,875
2030	3,261,194	2,415,000	731,275	3,146,275	6,407,469
2031	3,260,794	2,530,000	607,650	3,137,650	6,398,444
2032	3,270,994	2,665,000	477,775	3,142,775	6,413,769
2033	3,270,794	2,805,000	341,025	3,146,025	6,416,819
2034	3,265,731	2,950,000	197,150	3,147,150	6,412,881
2035	3,268,681	3,085,000	61,700	3,146,700	6,415,381
2036	2,988,888				2,988,888
2037	2,995,700				2,995,700
2038	1,481,800				1,481,800
2039	1,482,000				1,482,000
2040					0
Total	$79,312,466	$27,995,000	$11,172,192	$39,167,192	$118,479,658

*Excludes debt service on the 2012 Bonds being refunded herein.

Future Financing

The College does not anticipate issuing additional longterm debt in the next 2 years.

Financial Aid

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

	2016	2017	2018	2019	2020
Grants and Scholarships:					
Pell	$22,731,638	$21,811,029	$22,728,386	$21,003,830	$19,600,945
PHEA	1,895,501	2,178,622	1,970,029	2,069,251	1,920,960
SEOG	510,145	485,517	455,392	580,925	675,493
Private Grants, Loans & Scholarships	1,690,483	2,167,730	1,969,122	2,181,159	2,549,324
Loans:					
Stafford Loans/PLUS	22,524,429	19,588,648	23,230,488	17,221,641	14,241,708
Employment:					
College Work Study	345,745	378,536	320,911	236,295	331,874
Student Employment	25,809	34,054	25,889	16,016	17,939
Total of Students Receiving Financial Aid (estimate)	14,386*	12,986*	12,086*	10,293*	10,955

* Unduplicated Students Receiving Financial Aid (estimated).
Source: The College; Director, Financial Aid.

Student Fees and Charges

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

	(fiscal 15-16) 2016 **	(fiscal 16-17) 2017 **	(fiscal 17-18) 2018 **	(fiscal 18-19) 2019 **	(fiscal 19-20) 2020**	(fiscal 20-21) 2021**
In County Tuition - no cap	104.75	107.75	110.00	113.00	116.00	118.00
Out of County Tuition– no cap (per credit)	209.50	215.50	220.00	226.00	232.00	236.00
Out-of –State - no cap	314.25	323.25	330.00	339.00	348.00	354.00
Technology Fee per Credit – no cap	22.25	22.25	22.25	23.25	23.25	23.25
Student Service Fee – no cap	4.25	4.25	4.25	4.25	7.25	8.25
Out of County Capital Fee						
Fulltime (per semester)	78.00	78.00	78.00	78.00	78.00	78.00
Part time (per credit hour)	6.50	6.50	6.50	6.50	6.50	6.50
Out of State Capital Fee						
Full time * (per semester)	78.00	78.00	78.00	78.00	78.00	78.00
Part time * (per credit hour)	6.50	6.50	6.50	6.50	6.50	6.50
Activity Fee						
Full time (per semester)	50.40	72.00	72.00	72.00	72.00	72.00
Part time (per credit hour)	4.20	6.00	6.00	6.00	6.00	6.00

*Out of state students are assessed both an out of county capital fee and out of state capital fee for a total of $6.50/credit. The College considers a student full time at 12 credits when assessing fees.
**Effective spring 2012 the College instituted a flat tuition rate (12 credits to 18 credits), tuition is based on 15 credits.
Source: The College.

COVID-19 Matter

On March 19, 2020, Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations to slow the spread of COVID-19. As a result of the College's investment in IT infrastructure over the past several years, the College was strategically positioned to seamlessly switch to on-line instruction for the remainder of the Spring 2020 semester. This resulted in minimal loss of revenue for the Spring semester. However, minimal tuition refunds were issued for non-credit courses that had to be cancelled. The College immediately implemented expense reduction strategies, including an early retirement program, endorsement of memorandums of understanding with its collective bargaining units to address staffing and workplace changes presented by COVID-19 and orders presented by the Centers for Disease Control ("CDC"), Pennsylvania Health Department, and Allegheny County Department of Health. The College cancelled all athletic events and onsite activities/events through the end the Fall 2020 semester. Spring 2021 athletic events for bowling and golf are currently offered pending no prohibiting resurgence of COVID-19. The College eliminated all faculty, staff and student travel.

As a result of the net CARES Act funding awarded to the College to cover COVID-19 related costs and the cost reduction strategies that were implemented, the College recognized a surplus during Fiscal 2019-20. The future financial impact will be dependent upon enrollment, the continuing need for social distancing, ongoing response efforts to mitigate COVID-19, and any potential resurgence.

For Fiscal 2020-21, in anticipation of enrollment challenges due to COVID-19, the College reduced its enrollment projection by 15% and adjusted the budget accordingly. The revenue impact of the projected decrease in enrollment was offset by a $2 per credit increase in tuition and a $1 per credit increase in Student Services Fees authorized by the Board of Trustees. The impact was further offset by the early retirement program offered in the Spring 2020. The College continues to monitor and assess the effects of the COVID-19 pandemic and its impact on the financial position and operations.

Although the College implemented remote instruction in accordance with the state mandated closures, after the easing of state restrictions and much careful planning, the College offered a full slate of courses for the Fall 2020 and Spring 2021 semesters. The College adapted its teaching model to incorporate several modalities to better serve students. Courses are offered in face-to-face settings, fully online and a hybrid model that includes some face-to-face and online course work. Approximately 20% of courses are offered in face-to-face settings.

The College's reopening plan and pandemic response have been shaped by guidance from the CDC, the Pennsylvania Departments of Health and Education, the Governor's office, the County Health Department, local municipalities and regional healthcare systems, among other sources. The College has communicated extensive information to its constituents, including information about its reopening and operating plans, through live information sessions, webinars, and on the College website.

Since the Spring 2020, the College has marked off areas in common spaces, lobbies, classrooms and other frequently utilized areas where individuals should stand or wait in order to maintain six feet of distance. The number of students in a classroom varies upon the size of the classroom. Occupancy has been determined by the size of the classroom and how many students and an instructor the room can accommodate while maintaining 6 feet of social distancing.

Delivery modalities for instruction related to clinical assignments and field experiences have been determined on a case-by-case basis and guided by procedures of the institutions that host the College's students.

A broad range of other pandemic driven safety measures have been implemented on campus. Masks must be worn by everyone while on campus. Respiratory etiquette has been regularly communicated. The College is reinforcing good personal hygiene and has placed hand sanitizer stations throughout the campus community. The College has also enhanced its cleaning and disinfecting protocols.

All students, employees, contractors, visitors and guests are required to review the College's Self Screening Questionnaire prior to entering College buildings and facilities. Individuals should only come to a campus or facility if they have answered "no" to every question. Students who test positive or are exposed to COVID-19 must notify the College's Dean of Students and the local municipal health department. Employees who test positive or are exposed to COVID-19 must notify the College's Human Resources department. Anyone with a positive test must remain at home in isolation for at least 10 days from the date of the test and may end isolation after that date as long as there have not been any subsequent symptoms. Individuals having close contact as defined by the CDC must quarantine for 14 days from the date of the contact.

The College maintains a dashboard on its website to communicate cumulative confirmed cases and active cases reported to the College. As of March 15, 2021, the College had two hundred one (201) cumulative confirmed cases representing students and employees

The College's extensive health and safety campus guidelines and protocols have been well accepted and followed by students, faculty and staff and appear to be working well to date. While COVID-19 presents many uncertainties and the guidelines or requirements from the CDC and Commonwealth of Pennsylvania may evolve, the College currently expects to continue to operate in a similar manner during the Summer 2021 and beyond if required.

SUMMARIES OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

The following pages contain descriptions of certain provisions of the Loan Agreement and the Indenture. The Bonds are secured by the Indenture and are payable from payments due under the Loan Agreement. These descriptions are brief summaries and do not purport to be and should not be regarded as complete statements of the terms of either the Loan Agreement or the Indenture or as complete synopses thereof. 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.

THE LOAN AGREEMENT

In connection with the issuance of the Bonds, the Authority will enter into the Loan Agreement with the College, pursuant to which the Authority will loan the proceeds of the Bonds to the College for the purpose of funding the College's refinancing and to pay the costs of issuing and insuring the Bonds. The Loan Agreement requires the College to make loan repayments to the Authority in amounts sufficient to pay the required debt service on the Bonds. The obligation of the College under the Loan Agreement is evidenced by the Note.

Representations, Warranties and Covenants. The College makes certain representations, warranties and covenants under the Loan Agreement, including without limitation, with respect to the existence and authority of the College, the enforceability of the Loan Agreement and Note and the absence of material litigation.

Source of Debt Service Payments. The debt service payments are payable by the College from its revenues from whatever source derived. The College covenants to budget for each fiscal year during the term of the Loan Agreement the loan payments required to be paid to the Authority with respect to the Note and the Loan Agreement.

Assignment of 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 such payments for the benefit and security of the Bondholders under the Indenture.

Unconditional Obligation. The obligation of the College to make the payments required by the Loan Agreement are absolute and unconditional. The payments are required to be made in full directly to the Trustee, as assignee, when due without delay or diminution for any cause whatsoever and without right of set-off for default on the part of the Authority under the Loan Agreement.

Events of Default. Any one or more of the following events shall constitute an "Event of Default" under the Loan Agreement:

(a) the College fails to make any payment required under the Note;

(b) the College shall fail to comply with its tax covenants set forth in the Loan Agreement;

(c) the College shall default in the due and punctual performance of any other of the covenants and agreements contained in the Loan Agreement and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the College by the Authority;

(d) if an Event of Default shall have occurred and be continuing under the Indenture and as a result of such Event of Default the Bonds shall have been declared due and payable by acceleration in accordance with the indenture; or

(e) an order shall be entered appointing a receiver for the College's facilities or revenues.

Remedies. If an Event of Default has occurred and is continuing:

(a) The Authority (or the Trustee as its assignee) may, in addition to its other rights and remedies as may be provided in the Loan Agreement or may exist at the time at law or in equity, exercise any one or more of the following remedies:

(i) upon notice to the College, declare all sums due or to become due under the Loan Agreement and under the Note to be immediately due and payable;

(ii) by suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the College to carry out any agreements with or for the benefit of the owners of the Bonds and to perform its duties under the Act, the Loan Agreement and the Note.

(b) Upon the occurrence of an Event of Default described in paragraph (a) under "Events of Default" above, the Authority shall, in addition to the exercise of any other remedy hereunder, notify the Secretary of the Department of Education of such Event of Default and request the Secretary, in accordance with the appropriate provisions of Pennsylvania law, to notify the College of its obligations under the Loan Agreement and to 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 under the Note, and to pay over the amount so withheld to the Trustee, as sinking fund depository for the Bonds, on behalf of the Authority.

THE INDENTURE

Limited Obligations of the Authority. The Bonds are special, limited obligations of the Authority and are secured by a pledge and assignment to the Trustee of the loan payments and other revenues or income derived by or for the Authority from or with respect to the Loan Agreement and all moneys to be paid over to the Trustee under the provisions of the Indenture. The Authority has no taxing power. Neither the general credit of the Authority nor the general credit or taxing power of the United States of America, the Commonwealth of Pennsylvania or any political subdivision thereof is pledged for the payment of the principal of, or interest on the Bonds; nor shall the Bonds be deemed to be general obligations of the Authority or obligations of the United States of America, the Commonwealth of Pennsylvania or any political subdivision thereof.

Pledge of Certain Revenues. The Authority has pledged to the Trustee, in the Indenture, a security interest in all loan payments, and other sums payable under the Loan Agreement, for the benefit and security of the registered owners of the Bonds issued under the Indenture.

Revenue Fund. All loan payments are required to be deposited in the Revenue Fund established with the Trustee at the times set forth in the Indenture. All moneys 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.

Project Fund. Moneys in the Project Fund shall be held by the Trustee pending the application to costs of any eligible Project and will be disbursed by the Trustee only upon receipt by the Trustee of a requisition or closing statement signed by the College identifying the specific costs of the project to be paid. Following deposit into the Project Fund, proceeds of the Bonds will immediately be applied to pay the costs of issuing and insuring the Bonds, with the remaining portion being irrevocably deposited with U.S. Bank National Association, the Trustee for the 2012 Bonds, in an amount sufficient to redeem all of the 2012 Bonds being refunded at a redemption price of 100% of the principal amount thereof plus accrued interest on July 15, 2021.

Debt Service Fund. There is established under the Indenture a Debt Service Fund into which the Trustee shall make deposits in such amounts sufficient to make payments of interest and principal (including mandatory redemption) on the Bonds as hereinafter stated. The monies on deposit in the Debt Service Fund shall be applied, on each January 15 and July 15, commencing July 15, 2021, to make the interest payments due on the Bonds on such January 15 and July 15 of each year, and on July 15, commencing July 15, 2021, to make the principal payments (including payments in respect of mandatory sinking fund redemption) due on the Bonds on such July 15.

Rebate Fund. The Authority will periodically determine the sum required to be deposited in the Rebate Fund (if any) and direct the Trustee to transfer such sum from the other funds and accounts established under the Indenture. The Authority will direct the Trustee to pay to the United States Government the sums on deposit in the Rebate Fund at the times and in the amounts (if any) required by the Internal Revenue Code of 1986, as amended.

Investment of Funds. Moneys held in the Revenue Fund and the Debt Service Fund may and, upon instructions of the College, shall be wholly or partially deposited and redeposited in interest-bearing deposit accounts or time certificates of deposit with the commercial department of the Trustee or any other authorized depository, which deposits, to the extent not insured, shall be secured as provided by the Indenture, or invested or reinvested by the Trustee at the direction of the College solely in obligations which meet the requirements set forth in the Indenture, subject to limitations provided in the Indenture.

Additional Bonds. The Indenture permits under certain circumstances and conditions the issuance of additional bonds for the purposes of refunding any series of outstanding bonds of the Authority issued on behalf of the College or any other obligation of the College, completing a project of the College and financing additional projects of the College.

Events of Default. The following, among others, shall constitute events of default under the Indenture: (a) principal of or interest on the Bonds shall not be paid when due, (b) there shall be a default under the Loan Agreement or Note or other agreements related to the Indenture, (c) if the Authority shall fail or refuse to comply with any provisions of the Act relating to the Bonds, or shall be rendered incapable of fulfilling its obligations under the Indenture, or (d) the Authority defaults in the performance of other covenants under the Indenture which continues for 60 days after notice from the Trustee.

Remedies. The Act which governs the Authority provides certain remedies to the Bondholders in the event of default or failure on the part of the Authority to fulfill its covenants.

Under the Indenture, in the event of any default therein, the Trustee may enforce, with the consent of the Bond Insurer and shall, at the direction of the Bond Insurer or upon written request of the holders of 25% in principal amount of the Bonds then outstanding accompanied by indemnity for the Trustee, as provided in the Indenture shall enforce, for the benefit of all Bondholders all their rights of entry, of bringing suit, action or proceeding at law or in equity and of having a receiver appointed. For a more complete statement of rights and remedies of the Bondholders and for limitations thereon, reference is made to the Indenture.

Modifications and Amendments. Amendments to the Indenture are permitted without consent of Bondholders for certain purposes, including the imposition of additional restrictions and conditions respecting the issuance of the Bonds, the addition of covenants and agreements by the Authority, the modification of the Indenture to conform the same to governmental regulations (so long as the rights of the Bondholders 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 the Bondholders. Certain other modifications may be made to the Indenture, but only with the consent of the Bond Insurer (if any) and the consent of Bondholders as more specifically provided in the Indenture.

Insurance Provisions. Certain rights are granted to the Bond Insurer under the Indenture should Bond Insurance be obtained for the Bonds. These rights include, among others, the approval of amendments, consents in addition to bondholder consents, control and direction of remedies, receipt and copies of notices, and third-party beneficiary status.

ABSENCE OF LITIGATION

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 Bonds or in any way contesting or affecting the validity of the Bonds, the Indenture, or any proceedings of the Authority taken in connection with the issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds, or the existence or powers of the Authority.

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

LEGALITY FOR INVESTMENTS

Under the Act, the 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 associations, 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 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 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 EXEMPTION

Federal

Exclusion of Interest from Gross Income

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the Authority and College with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Bond Counsel has assumed compliance by the Authority and College with its covenants contained in the Resolution and its representations in the Tax Certificate executed by the Authority and College on the date of issuance of the Bonds (the "Tax Compliance Certificate") relating to actions to be taken by the Authority and College after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

Original Issue Premium

Each of the Bonds is being sold at an original issue premium ("OIP"). An amount equal to the excess of the issue price of a Bond over its stated redemption price at maturity constitutes OIP on such Bond. An initial purchaser of a Bond must amortize any OIP over such Bond. An initial purchaser of a Bond must amortize any OIP over such Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Bonds callable prior to their maturity, by amortizing the OIP to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As OIP is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Bonds should consult with their tax advisors with respect to the determination and treatment of OIP for federal income tax purposes and with respect to the state and local tax consequences of owning a Tax-Exempt Premium Bond.

Other Federal Tax Matters

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, holders of an interest in a financial asset securitization investment trust property and casualty insurance companies, individuals who otherwise qualify for the earned income credit and taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits and taxpayers, including banks, thrift institutions and other financial institutions, subject to Code Section 265, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described above and expressly stated in the form of Bond Counsel opinion included as Appendix B. Purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.

Pennsylvania

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

Other

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

Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the College will agree pursuant to a Continuing Disclosure Agreement between the College and the Trustee as dissemination agent (the "Dissemination Agent") to be delivered on the date of issuance of the Bonds, to cause the following information to be provided:

(A) Annually, not later than **270 days** following the end of each fiscal year, beginning with the fiscal year ending June 30, 2021, the following financial information and operating information for the College:

   (1) A copy of the College's annual report which contains its financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principles for local government units,
   (2) The College's operating information including an update of the College's Enrollment, Statement of Revenues and Changes in Net Assets, Budget, Financial Aid and Student Fees and Charges as shown on pages 13 through 16 of the Official Statement.

(B) If not submitted as part of the annual report, then when and if available, audited financial statements for the College;

(C) In a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

   (1) principal and interest payment delinquencies;
   (2) non-payment related defaults, if material;
   (3) unscheduled draws on debt service reserves reflecting financial difficulties;
   (4) unscheduled draws on credit enhancements reflecting financial difficulties;
   (5) substitution of credit or liquidity providers, or their failure to perform;
   (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
   (7) modifications to rights of holders of the Bonds, if material;
   (8) bond calls, if material, and tender offers;
   (9) defeasances;
   (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
   (11) rating changes;
   (12) bankruptcy, insolvency, receivership or similar event of the College;
   (13) the consummation of a merger, consolidation, or acquisition involving the College or 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, if material; and
   (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and
   (15) incurrence of a financial obligation of the College or other obligated person, if any, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the College or other obligated person, if any, any of which affect security holders, if material; and
   (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the College or other obligated person, if any, any of which reflect financial difficulties; and

(D) in a timely manner, notice of a failure of the College to provide the required annual financial information specified above, on or before the date specified above.

With respect to the filing of annual financial and operating information, the College reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the College or its operations or financial reporting, but the College will agree that any such modification will be done in a manner consistent with the Rule.

The events listed in (C) above are those specified in the Rule, not all of which may be relevant to the Bonds. The College may from time to time choose to file notice of the occurrence of other events, in addition to the events listed in (C) above, but the College does not commit to provide notice of the occurrence of any events excePpt those specifically listed in (C) above.

The College acknowledges that its undertaking pursuant to the Rule described herein is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holders and beneficial owners of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the College's continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the College to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The College's obligations with respect to continuing disclosure described herein shall terminate upon the prior redemption or payment in full of all of the Bonds or if and when the College is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access ("EMMA") System, which may be accessed on the internet at http://www.emma.msrb.org.

Certain operating data of the College may be included in the annual filings of financial statements, the summary of the budget, contents of Official Statements of future bond issues as well as publicly available information.

Existing Continuing Disclosure Filing History

The College has previously entered into Continuing Disclosure Agreements with respect to each of its previously issued bond issues that are currently outstanding. The College's filing history of its annual financial and operating information during the past five (5) years is outlined in the table below.

Fiscal Year	Filing	Financial Statements		Operating Data		
Ending	Deadline [1]	Filing Date	EMMA ID [2]	Filing Date		EMMA ID [2]
6/30/2016	12/27/2016	12/23/2016	ER790929	12/23/2016	[3]	ER790929
6/30/2017	12/27/2017	12/27/2017	ES843471	12/27/2017	[4]	ES843471
6/30/2018	12/27/2018	12/24/2018	ER916174	12/24/2018	[5]	ER916174
6/30/2019	12/27/2019	12/18/2019	ER990750	12/18/2019	[5]	ER990750
6/30/2020	12/27/2020	12/16/2020	P31074241	12/16/2020	[5]	P31074241

Notes

[1] *For these purposes, assumes the shortest filing deadline of the College's previous Continuing Disclosure Agreements*

[2] *Submission ID is the EMMA Submission ID for each filing. To access a filing, insert the Submission ID to the end of the web address below: http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=*

[3] *The filing with EMMA of operating data did not include the College's Budget Information, and certain operating information, including Enrollment, Financial Aid Awards and Student Fees and Charges, was filed late with the 2017 Financial Statements.*

[4] *Operating information, with the exception of the College's Budget Information, was filed timely. The College's table with Budget information was not filed with the operating data.*

[5] *The College's Operating Data was timely filed with the College's Financial Statements.*

Based on the information above, the College's annual financial and operating filing history over the past five (5) years can be summarized as follows:

For fiscal years ending June 30, 2017 through fiscal ending June 30, 2020, the College filed its annual financial and operating information in a timely fashion. For fiscal year ending June 30, 2016, the College filed certain of its operating information late, including information as to its Enrollment, Financial Aid Awards and Student Fees and Charges. For the fiscal year ending June 30, 2017, the College did not file budgetary information with its operating information, however its annual financial information and its other operating information was timely filed.

CERTAIN LEGAL MATTERS

Purchase of the Bonds by the Underwriters is subject to the receipt of the approving legal opinion of Mette, Evans & Woodside, Harrisburg, Pennsylvania, who have been appointed Bond Counsel to the Authority by the Commonwealth Office of General Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania, for the College by its counsel, Andrew F. Szefi, Esquire, Pittsburgh, Pennsylvania and for the Underwriters by their counsel, Clark Hill PLC, Pittsburgh, Pennsylvania.

UNDERWRITING

The Underwriters have agreed to purchase the Bonds from the Authority, subject to certain conditions precedent, and will purchase all of the Bonds if any of such Bonds are purchased. The Bonds will be purchased at a purchase price of $34,801,019.21 equal to the par value of the Bonds less an underwriters' discount of $110,944.19 and plus an original issue premium of $6,916,963.40 as set forth on the inside cover page hereof.

THE TRUSTEE

The Issuer has appointed U.S. Bank National Association, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Bonds by the Authority or College. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the Project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

BOND RATING

Standard & Poor's Ratings Group 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, a municipal bond insurance policy with respect to the Insured Bonds will be issued by BAM.

Moody's Investors Service has assigned its underlying municipal bond rating of "A3" (Stable Outlook) to this issue of Bonds. 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 address: 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. 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 Bonds.

MISCELLANEOUS MATTERS

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 Bonds, 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 references herein to the Community College of Allegheny County Financial Statements are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. The Financial Statements have been audited, copies of which can be obtained upon request from the College.

The information contained in this Official Statement has been compiled or prepared from official and other sources deemed to be reliable and, although not guaranteed as to their completeness or accuracy, is believed to be correct as of this date. Statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

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

The Authority has not assisted in the preparation of this Official Statement, except for the statements concerning the Authority under the sections captioned "THE AUTHORITY" and "ABSENCE OF 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 effect the issuance of the Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the 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/Eric Gutshall
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 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 ALLEGHENY COUNTY

By: /s/Dr. Quintin B. Bullock
Title: PRESIDENT,
COMMUNITY COLLEGE OF ALLEGHENY COUNTY

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APPENDIX A

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 and 2019

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COMMUNITY COLLEGE OF ALLEGHENY COUNTY
Pittsburgh, Pennsylvania

Financial Statements and
Required Supplementary Information
for the years ended June 30, 2020 and 2019

and Independent Auditors' Report Thereon

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

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SCHNEIDER DOWNS
Big Thinking. Personal Focus.

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Community College of Allegheny County
Pittsburgh, Pennsylvania

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities of the Community College of Allegheny Country (College) and its discretely presented component unit, collectively a component unit of Allegheny County, as of and for the years ended June 30, 2020 and 2019, 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.

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Community College of Allegheny County Educational Foundation (a component unit of the College), which represent approximately 11%, 20% and 25%, respectively, of the assets, net position and operating revenues of the College for June 30, 2020, and 7%, 13% and 15%, respectively, of the assets, net position and operating revenues of the College for June 30, 2019. The financial statements of the Community College of Allegheny County Educational Foundation were prepared in accordance with Financial Accounting Standards as issued by the Financial Accounting Standards Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community College of Allegheny Country Educational Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

Schneider Downs & Co., Inc.
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PrimeGlobal
An Association of Independent Accounting Firms

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TEL 412.261.3644
FAX 412.261.4876

65 E. State Street, Suite 2000
Columbus, OH 43215
TEL 614.621.4060
FAX 614.621.4062

Opinions

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College and its discretely presented component unit, as of June 30, 2020 and 2019, 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 3-17 and schedules of the College's proportionate share of the net pension liabilities and pension contributions on Pages 72- 75 be presented to supplement the basic financial statements. Such information, although not a 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. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
December 4, 2020

Management's Discussion and Analysis (MD&A) of the Community College of Allegheny County's (College or CCAC) financial performance provides an overall review of the College's financial activities for the fiscal years ended June 30, 2020 and 2019 and is based on facts, decisions and conditions known as of the date of the audit report. Also included is a comparison of 2020 fiscal year's information with the 2019 and 2018 fiscal years' information, with the primary focus on fiscal year 2020. The intent of this discussion and analysis is to look at the College's financial performance as a whole. Comments do not pertain to the College's discretely presented component unit, the Community College of Allegheny County Foundation (Foundation). The Foundation's financial results are presented in a columnar format on the basic financial statements with further information found in the notes to the financial statements. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the College's financial performance.

RESULTS IN BRIEF

- Total net position increased $3.1 million in 2020.
- Restricted net position increased by $3.8 million to $7.6 million.
- Unrestricted net position was $23.4 million at June 30, 2020 and reflected an increase of $0.6 million.
  - Unrestricted net position includes designations by the Board of Trustees and other reserves. These designations and reserves increased by $0.8 million to $9.4 million.
  - The undesignated net position decreased $0.1 million (1%) to $14.0 million in 2020.
- Net investment in capital assets decreased $1.3 million.
- The College had $99.6 million in bond debt outstanding. This represents an increase of $18.0 million from 2019.
- The College's investment bond rating from Moody's Investor Service is A3 and includes a stable outlook.

CORONAVIRUS PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On March 13, 2020, the president of the United States declared the outbreak of COVID-19 a national emergency. Pennsylvania Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of 8:00 p.m. on March 19, 2020 to slow the spread of COVID-19. On April 1, 2020, the governor issued a "stay-at-home" order for all Pennsylvania counties, which remains in effect for all counties in the state-declared "red phase" of reopening. Approximately 13 Pennsylvania counties, including Allegheny, where the College is located, transitioned to a "yellow phase" effective May 15, 2020, easing restrictions on business and social interaction. As of July 3, 2020, all Pennsylvania counties were in the "green phase," where teleworking is required when feasible, certain businesses could go back to work and social interaction is subject to gathering limits using a maximum occupancy calculator.

The pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide. The College responded immediately to strategically address the ever-changing environment. All on-campus instruction and activities ceased in March 2020 as part of the College's commitment to safeguarding the health and well-being of students and the wider communities. As a result of its investment in IT infrastructure over the past several years, CCAC was strategically positioned to seamlessly switch to all online instruction in March 2020. This resulted in minimal loss of revenue for the Spring semester. The College also immediately implemented expense reduction strategies, including an early retirement program, endorsement of memorandums of understanding with its collective bargaining units to address staffing and workplace changes presented by COVID-19 and orders presented by the Centers for Disease Control (CDC), Pennsylvania Health Department and Allegheny County Department of Health. Additionally, CCAC cancelled all athletic events and on site activities/events through the end of 2020 and eliminated all faculty, staff and student travel.

The College resumed limited in-person instruction in June 2020. It offered a full slate of courses for the Fall 2020 semester and has adapted its teaching model to incorporate several modalities to better serve students. Courses are offered in face-to-face settings, fully online and a hybrid model that includes some face-to-face and online course work. All face-to-face instruction is in accordance with CDC guidelines.

The College seeks to ensure that students have the information and resources they need to achieve their academic goals as it continues the transition to online or alternative forms of remote delivery of instruction. To that end, during fiscal 2020, the College has benefited from $7,987,479 in direct emergency aid appropriations under the Coronavirus Aid, Relief and Economic Security (CARES) Act signed into law on March 27, 2020, $3,993,740 of which is being directly awarded to students as emergency financial aid. The remaining portion of the CARES Act Higher Education Emergency Relief Fund awarded to the College is being applied to a number of eligible institutional costs, including transitioning to distance learning.

FINANCIAL HIGHLIGHTS

The College continues to position itself for the challenging economic environment in which it operates. Full time equivalent (FTE) enrollment decreased 7% from 27,200 in 2019 to 25,200 in 2020. The College increased credit tuition by $3.00 per credit hour, where rates for Allegheny County residents increased from $113.00 to $116.00 per credit hour, and a proportional increase was made for out-of-county and out-of-state residents. From an expense management perspective, the College continues to monitor and control discretionary spending. In addition, the College offered a Retirement Incentive Plan (RIP) that 41 employees elected to participate in, resulting a $0.6 million liability at the end of the fiscal year. This RIP will reduce wage and benefit costs in future years.

CCAC remains committed to enhancing services to its students that will contribute to their overall success. The College budgeted $2.0 million in its 2020 fiscal year operating budget for programmatic, facility and IT strategic initiatives. The College budgeted $0.3 million to continue to upgrade software to assist in student success and recruitment, $0.2 million for a robot integration project into mechatronics as a result of program assessment reviews, and $0.1 million for equipment for the film technician program. In addition, IT strategic initiatives include campus digital signage projects, finance productivity software, instructional technology upgrades, audio visual system upgrades for college events, and continued investment in IT infrastructure and security solutions.

Operating revenues increased $0.9 million (2%) from $48.0 million in 2019 to $48.9 million in 2020. Student tuition and fees net of scholarship allowances decreased by $3.1 million (9%). The decrease was primarily due to a 7% decrease in FTE enrollment, which was partially offset by an increase of $3.00 per credit hour of tuition. Federal grants and contracts increased $3.6 million (51%), primarily related to $4.1 million of CARES Act funds received, which was partially offset by decreases in existing grants. State, local and nongovernmental grants and contracts revenues increased by $0.6 million (12%) as the result of new grants and additional funding on existing grants. Auxiliary revenues decreased by $0.2 million (27%) due to lower activity resulting from the pandemic.

Operating expenses decreased $2.6 million (2%) from $134.7 million in 2019 to $132.1 million in 2020. Note 14 details total operating expenses by both natural and functional classification. Functionally, instruction expenses decreased $4.2 million (8%), academic support decreased $0.8 million (10%), student services decreased $2.6 million (17%), institutional support increased $3.5 million (13%), plant operations decreased $1.7 million (10%), financial aid increased $2.5 million (31%) and depreciation and amortization increased $0.7 million (8%). By expense category type, salaries and wages decreased $2.9 million (4%), benefits increased $0.9 million (4%), supplies and services decreased $3.8 million (19%), utilities were flat, scholarships and fellowships increased $2.5 million (31%), and depreciation and amortization increased $0.7 million (8%).

The decrease is primarily due to a 7% decrease in FTE enrollment as a result of the COVID-19 pandemic, which resulted in the reduction of salary expenses due to employee furloughs, cancellation of certain classes and the change to virtual instruction. The decrease was partially offset by costs related to the early retirement incentive program offered to employees, resulting in 41 employees retiring during May 2020. Benefits expenses increased due to increased unemployment costs related to the employee furloughs; student aid expenses increased due to payments to students in accordance with CARES Act funding requirements.

Total assets increased by $21.5 million (9%) from $231.1 million to $252.6 million at June 30, 2020. The increase in total assets is mainly due to a $5.5 million (20%) increase in current cash and cash equivalents, a $19.3 million (77%) increase in restricted cash and cash equivalents related a Series 2020 bond issue for the second phase of the Workforce Training Center construction project, and a $0.8 million (48%) increase in amounts due from the Foundation, federal government and other governmental entities. The increases were partially offset by a $2.1 million (1%) decrease in net capital assets for asset retirements, a $0.7 million (13%) decrease in prepaid expenses and other assets, and a $1.3 million (17%) decrease in net student and third-party sponsor receivables due to a decrease in FTE enrollment, which was partially offset by increased credit tuition fees of $3.00 per credit hour.

Total liabilities increased $17.0 million (15%) from $113.6 million to $130.6 million at June 30, 2020. The increase is primarily due to a $16.9 million (19%) increase in long-term obligations due to the $18.9 million Series 2020 bond issue for the second phase of the Workforce Training Center, a $0.6 million (100%) increase in the early retirement incentive plan, a $1.3 million (14%) increase in other miscellaneous liabilities as a result of increased accruals for payroll taxes due to timing differences of payments and a $0.7 million increase in unemployment accruals due to the furlough related to the COVID-19 pandemic, and a $0.1 million (4%) increase in unearned revenue. The increase was partially offset by a $1.1 million (13%) decrease in the College's allocation of the net pension and other post-employment benefits liability and a $0.8 (16%) decrease in accounts payable.

During fiscal year 2020, the College received $4.6 million from the state for debt service and capital projects. The College also received approval from the state to fund 50% of a capital project ($10.0 million) for the $20.0 million Workforce Training Center – Phase 2 project. The College must provide a 50% match for this project.

During fiscal 2020, the College expended $4.2 million on construction projects for improvements to academic buildings, physical plant and the College's infrastructure. The projects included $0.1 million for land improvements, $1.6 million for construction of the Workforce Training Center - Phase 1; $0.4 million for the renovation of Chalfant Hall, which will be the future home of the College's Faculty Innovation Center; $0.1 million on lab improvements; $0.2 million on College-wide parking lots and roads; $1.6 million for the HVAC and electrical upgrades; and $0.2 million on other deferred maintenance projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

The College's 2020 fiscal year financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. The College follows accounting principles issued by the Governmental Accounting Standards Board (GASB).

The statements are prepared on the accrual basis and present all assets, deferred outflows of resources, deferred inflows of resources and liabilities of the College, both financial and capital and classified between short- and long-term. They also present all revenues and expenses of the College during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the College's financial position as of June 30, 2019 and 2018 and the results of its operations and cash flows for the years then ended. Although the Foundation is considered a component unit of the College, the Management's Discussion and Analysis will focus on the activities of the College only. See the Foundation's separately issued audited financial statements for further information.

The financial statements incorporate three basic financial statements and the notes thereto. The statements are:

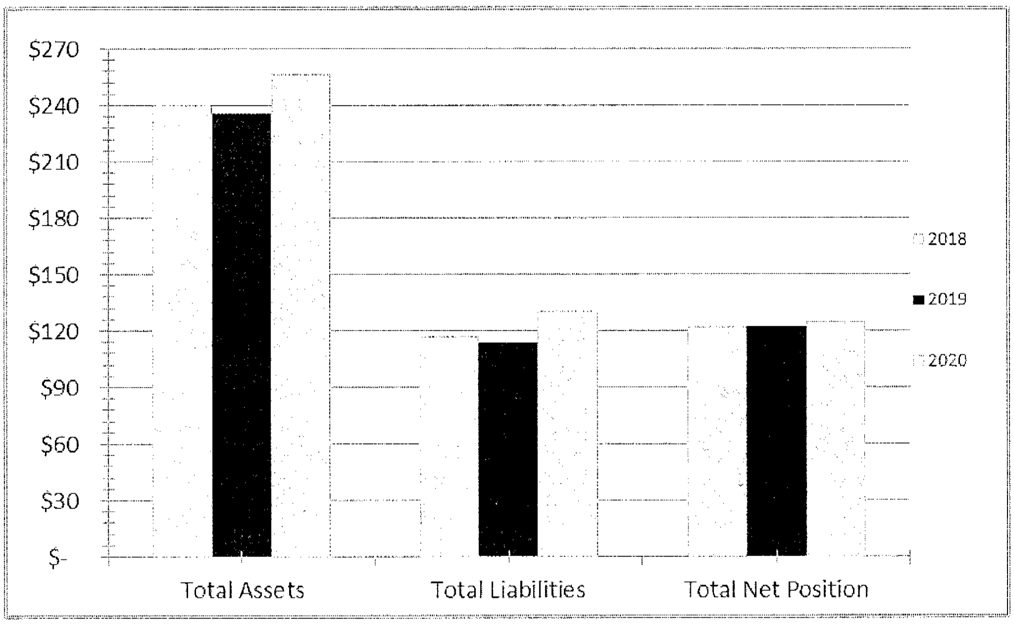
- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statements of Net Position

The statements of net position presents the financial position of the College at the end of each year. It displays all of the College's assets, deferred outflows, liabilities and deferred inflows. The difference between assets, deferred outflows, liabilities and deferred inflows is net position.

STATEMENTS OF NET POSITION
(In Millions)



Deferred outflows and deferred inflows that relate to the refunding of debt, net pension liability and net other post-employment benefit (OPEB) liability were excluded from the above chart, as they only represent a small portion of the net position. Amounts of approximately $4.0 million, $4.4 million and $3.3 million for the years ended 2020, 2019 and 2018, respectively, were recorded for deferred outflows. Amounts of approximately $1.1 million, $0.2 million and $0.3 million for the years ended 2020, 2019 and 2018, respectively, were recorded for deferred inflows.

Assets

Total 2020 assets increased by $21.5 million (9%) from $231.1 million to $252.6 million at June 30, 2020, principally due to the following factors:

- Current cash and cash equivalents increased $5.5 million (20%).
- Restricted cash and cash equivalents (current and noncurrent) increased $19.3 million (77%) related to the Series 2020 bond issue for the second phase of the Workforce Training Center construction project.
- Due from the Foundation and other governmental entities increased $0.8 million (48%).

- Net capital assets decreased $2.1 million (1%) mainly due to construction projects for improvements to academic buildings, physical plant and the College's infrastructure. The projects included $0.2 million for the Office of College Services generator replacement project; $2.3 million for construction of the Workforce Training Center - Phase 1; $0.4 million for the renovation of Chalfant Hall, which will be the future home of the College's Faculty Innovation Center; $0.6 million to upgrade the IT network and infrastructure; $0.2 million on College-wide parking lots and roads; $0.4 million for the HVAC and electrical upgrades; and $0.3 million for deferred maintenance. In addition, spending for computer equipment, other equipment and AV equipment increased by $0.4 million. Other miscellaneous capital assets increased by $1.1 million. These increases were offset by an increase in accumulated depreciation net of retirements of $8.0 million.

- Net student and third-party sponsor receivables decreased $1.3 million (17%) due to a decrease in FTE enrollment, which was partially offset by increased credit tuition fees of $3.00 per credit hour.

- Prepaid expenses and other assets decreased by $0.7 million (13%) due to prepayments of maintenance agreements.

Total 2019 assets decreased by $5.5 million (2%) from $236.6 million to $231.1 million at June 30, 2019, principally due to the following factors:

- Restricted cash and cash equivalents (current and noncurrent) decreased $3.9 million (13%) related to payments on capital projects.

- Net capital assets increased $5.5 million (3%) mainly due to construction projects for improvements to academic buildings, physical plant and the College's infrastructure. The projects included $0.1 million for the KLI Science Center, $1.2 million for construction of the Workforce Training Center - Phase 1, $5.0 million to upgrade the IT network and infrastructure, $0.3 million on College-wide parking lots and roads, and $2.5 million for the HVAC and electrical upgrades. In addition, spending for computer equipment, other equipment and AV equipment increased by $2.1 million. Other miscellaneous capital assets increased by $1.5 million. These increases were partially offset by an increase in accumulated depreciation net of retirements of $7.2 million.

- Net student and third-party sponsor receivables increased $0.3 million (4%) due to increased credit tuition fees of $3.00 per credit hour, which was partially offset by a 3% decrease of FTE enrollment.

- Prepaid expenses and other assets increased by $0.9 million (22%) due to prepayments of maintenance agreements related to the computer network upgrade project.

- Current cash and cash equivalents decreased $7.8 million (22%).

- Due from the Foundation and other governmental entities decreased $0.5 million (20%).

Deferred Outflows of Resources

The deferred charges on refunding debt, in the amount of $1.3 million, $1.0 million and $1.1 million for fiscal years 2020, 2019 and 2018, respectively, relate to the refunding of the College's Series 2016 Bonds, the Second Series of 2004 State Public School Building Authority (SPSBA) Bonds, Series of 2005 SPSBA Bonds, Series of 2019 A and Series of 2019 B, as discussed in the notes to the financial statements. The deferred charges on refunding of debt are spent on future capital items.

The deferred charges on net pension liability, in the amount of $2.6 million, $3.4 million and $2.2 million for the fiscal years 2020, 2019 and 2018, respectively, represent differences between expected and actual experience, net differences between projected and actual investment earnings and contributions subsequent to the measurement date.

The deferred charges on net OPEB liability, in the amount of $0.08 million, $0.08 million and $0.04 million for the fiscal years 2020, 2019 and 2018, respectively, represent differences between expected and actual experience, net differences between projected and actual investment earnings and contributions subsequent to the measurement date.

Deferred outflows of resources have a positive effect on net position similar to assets.

Liabilities

Total 2020 liabilities increased $17.0 million (15%) from $113.6 million to $130.6 million at June 30, 2020, primarily due to the following reasons:

- Long-term obligations increased $16.9 million (19%), due to the $18.9 million Series 2020 bond issue for the second phase of the Workforce Training Center; additional debt of $0.9 million was incurred for the new computer replacement cycle. These increases were partially offset by scheduled payments.
- Net pension and OPEB liability decreased $1.1 million (13%) due mainly to market factors and actuarial assumptions.
- Unearned revenue increased $0.1 million (4%).
- Other miscellaneous liabilities increased $1.3 million (14%) as a result of increased accruals for payroll taxes due to timing differences of payments and a $0.7 million increase in unemployment accruals due to the furlough related to the COVID-19 pandemic, which was partially offset by $0.6 million decrease in accrued wages resulting from fewer employees on the payroll.
- Accounts payable decreased $0.8 million (16%), mainly due to timing differences and less-than-normal purchases and commitments due to the COVID-19 pandemic.
- The College offered an early retirement incentive plan that increased liabilities by $0.6 million (100%).

Total 2019 liabilities decreased $3.6 million (3%) from $117.2 million to $113.6 million at June 30, 2019, primarily due to the following reasons:

- Long-term obligations decreased $4.7 million (5%), as scheduled payments were made and an additional debt of $1.6 million was incurred for the new computer replacement cycle.
- Net pension and OPEB liability increased $2.1 million (30%) due mainly to market factors and actuarial assumptions.
- Unearned revenue decreased $0.2 million (8%) due to a decrease in FTEs and the variability of course start dates.
- Other miscellaneous liabilities decreased $0.8 million (8%).
- Accounts payable increased $0.9 million (20%), mainly due to timing differences.
- Early retirement incentive plan decreased $0.9 million (100%) due to making the final required payment.

Deferred Inflows of Resources

The deferred inflows related to the net pension liability, in the amount of $1.1 million, $0.2 million and $0.3 million for the fiscal years 2020, 2019 and 2018, respectively, represent net differences between projected and actual investment earnings, changes in proportions and differences between employer contributions and proportionate share of total contributions.

The deferred inflows related to the net OPEB liability, in the amount of $0.007 million, $0.008 million and $0.008 million for the fiscal years 2020, 2019 and 2018, respectively, represent net differences between projected and actual investment earnings, changes in proportions and differences between employer contributions and proportionate share of total contributions.

The deferred inflows have a negative effect to net position similar to liabilities.

Net Position

Total net position increased $3.1 million (3%) from $121.7 million to $124.8 million during fiscal year 2020, as compared to a decrease in total net position of $0.6 million from $122.3 million to $121.7 million during fiscal 2019.

Net Investment in Capital Assets

During fiscal year 2020, capital assets, net of related debt decreased $1.4 million (1%) from $95.2 million to $93.8 million at June 30, 2020. This decrease is due to a $0.9 million change in long-term debt and issue costs that was offset by a $2.1 million decrease in capital assets net of depreciation due to construction projects for improvements to academic buildings, physical plant and the College's infrastructure, which were offset by an increase in accumulated depreciation net of retirements of $8.0 million. The projects included land improvements to the South Campus for design for the erosion control project; construction of the Workforce Training Center - Phase 1; renovations to the Chalfant Hall project, which will be the home of the Center for Faculty Innovation and the Virtual Campus; academic lab improvements; improvements to College-wide parking lots and roads; HVAC and electrical upgrades; safety and security upgrades; and deferred maintenance projects. In addition, the College acquired computer equipment, updated the technology infrastructure, and other equipment and AV equipment.

During fiscal year 2019, capital assets, net of related debt increased $8.5 million (10%) from $86.7 million to $95.2 million at June 30, 2019. This increase is due to the change in long-term debt and issue costs of $3.0 million and a $5.5 million increase in capital assets net of depreciation due to construction projects for improvements to academic buildings, physical plant and the College's infrastructure. The projects included land improvements to the KLI Science Center; construction of the Workforce Training Center - Phase 1; improvements to College-wide parking lots and roads; HVAC and electrical upgrades; safety and security upgrades; and deferred maintenance projects. In addition, the College acquired computer equipment, updated the technology infrastructure, and other equipment and AV equipment.

Restricted Net Position

During fiscal year 2020, restricted net position increased $3.8 million (100%) from $3.8 million to $7.6 million at June 30, 2020. This increase was mainly due to the issuance of the 2020 Bonds that generated a $3.6 million bond premium and $0.8 million in capital contribution from the county net of the expenditure of bond proceeds for capital outlay projects, including technology infrastructure upgrades, phone system replacement, electrical upgrades, telephone system replacement, electrical upgrades, replacement of backup power systems and other miscellaneous capital outlay projects.

During fiscal year 2019, restricted net position decreased $2.6 million (41%) from $6.4 million to $3.8 million at June 30, 2019. This decrease was mainly due to the expenditure of bond proceeds for capital outlay projects including technology infrastructure upgrades, phone system replacement, electrical upgrades, replacement of backup power systems and other miscellaneous capital outlay projects.

Unrestricted Position

Board-Designated Campus Building Projects

For fiscal year 2020, board-designated transfers and revenues exceeded expenses for the Science Center and Technology Infrastructure Upgrade by $0.9 million, increasing the reserve to $3.5 million as of June 30, 2020.

For fiscal year 2019, expenses for the Science Center and Technology Infrastructure Upgrade projects exceeded board-designated operating transfers and revenues by $1.9 million, reducing the reserve to $2.6 million as of June 30, 2019.

Reserve for Facilities, Emergency and Other Compelling Needs

For fiscal 2020, board-designated transfers out and expenses to fund network infrastructure upgrades, deferred maintenance and the state match required for the electrical power and HVAC upgrade project loans exceeded miscellaneous revenues by $0.7 million, and a $0.4 million transfer out to a new emergency improvement and repairs fund, resulting in a decrease of the reserve to $1.2 million as of June 30, 2020.

For fiscal 2019, board-designated transfers out and expenses to fund network infrastructure upgrades, deferred maintenance and the state match required for the electrical power and HVAC upgrade project loans exceeded miscellaneous revenues by $1.9 million, resulting in a decrease of the reserve to $2.3 million as of June 30, 2019.

Emergency Erosion Improvements and Repairs Fund

At the March 2020 meeting, the Board authorized a reserve fund in the amount of $0.6 million for emergency improvements and repairs related to an erosion control project. The reserve was funded by transferring $0.4 million from the reserve for facilities emergency and other compelling needs and allocating $0.2 million from the reserve for future capital projects.

Reserves for Future Operations

At the January 2018 meeting of the Board, the annual operating budget policy was revised to call for an administrative process that annually sets aside a portion of the actual current fund operating revenues and existing unrestricted net position to maintain an Unrestricted Reserve Fund for future years for either Undesignated reserves or for Designated reserves for ongoing facilities maintenance, renovations, construction and other emergencies or compelling needs, including, but not limited to, legal, technological, safety/risk management, academic or other financial imperatives.

After actual current fund operating revenues used to fund current operating needs and strategic goals for the current fiscal year have been identified, it is the goal to generate excess revenues to provide for an ongoing unrestricted reserve balance at a level equal to at least 15% of the annual actual current fund operating revenues.

For fiscal 2020, the reserve decreased by $0.7 million, primarily due to recording the net pension and other post-employment benefit liability amount of $1.1 million that was partially offset by $0.4 million of miscellaneous revenues, resulting in a decrease of the reserve to $2.3 million as of June 30, 2020.

For fiscal 2019, the reserve decreased by $3.6 million, primarily due to recording the net pension and other post-employment benefit liability amount of $2.1 million, resulting in a decrease of the reserve to $3.0 million as of June 30, 2019.

Reserves for Future Capital Projects

The College maintains a reserve for Future Capital Projects that will be used to fund future projects.

For fiscal 2020, board-designated transfers in and a gain on the sale of surplus assets exceeded expenses by $0.5 million. The increase was partially offset by a $0.2 million transfer out to fund a new emergency improvement and repairs fund resulting in an increase to the reserve to $3.2 million as of June 30, 2020.

For fiscal 2019, board-designated transfers in and a gain on the sale of surplus assets exceeded expenses by $0.4 million, resulting in an increase to the reserve to $2.9 million as of June 30, 2019.

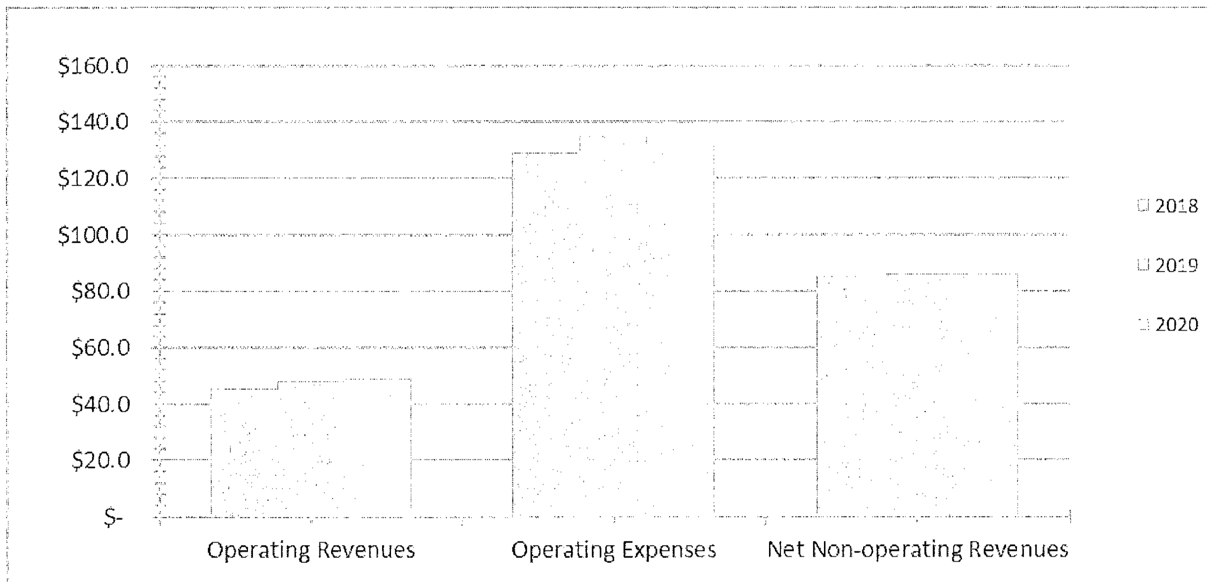
Condensed information from the College's statements of net position follows:

	Fiscal Year ended June 30		
	2020	**2019**	**2018**
Assets:			
Current assets	$ 49,604,065	$ 46,916,873	$ 53,363,594
Noncurrent assets:			
Capital assets, net	161,401,390	163,541,602	158,071,496
Other	41,570,230	20,618,814	25,131,947
Total Noncurrent assets	202,971,620	184,160,416	183,203,443
Total Assets	$ 252,575,685	$ 231,077,289	$ 236,567,037
Deferred Outflow of Resources:			
Total Deferred Outflow of Resources	$ 4,023,066	$ 4,426,161	$ 3,328,297
Liabilities:			
Current liabilities	$ 26,096,782	$ 23,797,543	$ 24,549,886
Noncurrent liabilities	104,499,985	89,763,572	92,686,147
Total Liabilities	$ 130,596,767	$ 113,561,115	$ 117,236,033
Deferred Inflows of Resources:			
Deferred charge on net pension liability	$ 1,141,134	$ 225,815	$ 342,768
Net Position:			
Invested in capital assets, net of related debt	$ 93,842,223	$ 95,183,084	$ 86,665,038
Restricted:			
Expendable	7,630,596	3,772,270	6,380,672
Nonexpendable	-	-	-
Total restricted	7,630,596	3,772,270	6,380,672
Unrestricted	23,388,031	22,761,166	29,270,823
Total Net Position	$ 124,860,850	$ 121,716,520	$ 122,316,533

Statements of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position is very similar to an operating statement, with the exception that state and county appropriations, investment income and capital gifts and grants are not classified as operating income. Another important difference is the manner in which tuition and fee revenues are reported. Tuition and fees are reported net of student aid. Other federal and state financial aid and nongovernmental financial aid sources are reported as operating revenues, except for federal Pell grants, which are reported as nonoperating, based on guidance from the GASB. For the College, this required presentation as nonoperating revenue results in a large net operating loss, which is offset by nonoperating revenues. The below chart illustrates the change in net position, which incorporates the impact of nonoperating revenues on the College's financial outcomes for the year.

REVENUES and EXPENSES
(In Millions)



Revenues

The College has several streams of operating revenues that supplement its student tuition and fees. As detailed in the statements of revenues, expenses and changes in net position, this includes federal grants and contracts, state and local grants and contracts, nongovernmental grants and contracts and auxiliary enterprises. The College continues to seek funding from all possible sources to supplement student tuition and to responsibly manage financial resources used to fund operating activities.

Operating Revenues

Total 2020 operating revenues increased $0.9 million (2%) from $48.0 million in 2019 to $48.9 million in 2020, mainly due to the following factors:

- Student tuition and fees net of scholarship allowances decreased $3.1 million (9%); the decrease was primarily due to a 7% decrease in FTE enrollment. The overall decrease was partially offset by an increase of $3.00 per credit hour of tuition.

- Federal grants and contracts increased $3.6 million (51%) primarily related to $4.1 million of CARES Act funds received, which was partially offset by decreases in existing grants.

- State, local and nongovernmental grants and contracts revenues increased by $0.6 million (12%), as the result of new grants and additional funding on existing grants.

- Auxiliary revenues decreased by $0.2 million (27%) due to lower activity resulting from the pandemic.

Total 2019 operating revenues increased $2.3 million (5%) from $45.7 million in 2018 to $48.0 million in 2019, mainly due to the following factors:

- Student tuition and fees net of scholarship allowances increased $1.9 million (6%); the increase was primarily due to a $3.4 million decrease of scholarship allowances. The overall decrease was partially offset by an increase of $3.00 per credit hour of tuition, the impact of which was reduced by a 3% decrease in FTE enrollment.

- Federal, state, local and nongovernmental grants and contracts revenues increased by $0.4 million (3%) as the result of new grants and additional funding on existing grants. The increase was partially offset by the decrease in FTE enrollment.

Operating Expenses

Total 2020 operating expenses decreased $2.6 million (2%) from $134.7 million in 2019 to $132.1 million in 2020, due to the following:

- Salaries and wages decreased $2.9 million (4%) as a result of the decrease in FTE enrollment and employees furloughed due to the pandemic that was partially offset by salaries and wages increases.

- Benefits expense increased $0.9 million (4%), primarily related to increases in healthcare, retirement and other benefits, including a $0.7 million accrual for unemployment claims related to furloughed employees.

- Supplies and other services decreased $3.8 million (19%), primarily due to decreased spending related to COVID-19 in instruction, academic support and student services and activities.

- Scholarships and fellowships increased $2.5 million (31%), due to funding from the CARES Act being distributed to eligible students.

- Utilities were flat, primarily due the reduced usage of the facilities and classrooms during the pandemic.

- Depreciation and amortization increased $0.7 million (8%).

Total 2019 operating expenses increased $5.4 million (4%) from $129.3 million in 2018 to $134.7 million in 2019, due to the following:

- Salaries and wages decreased $0.9 million (1%) as a result of the decrease in FTE that was partially offset by salaries and wages increases.

- Benefits expense increased $2.5 million (13%), primarily related to increases in healthcare, retirement and other benefits.

- Supplies and other services increased $1.4 million (7%), primarily due to increased spending in student services for various grants, plant operations and maintenance, and other miscellaneous spending.

- Scholarships and fellowships increased $2.1 million (37%) due to mix of the eligibility of students.

- Utilities decreased $0.1 million (3%).

- Depreciation and amortization increased $0.4 million (4%).

Nonoperating Revenues (Expenses)

Total 2020 nonoperating revenues increased $0.2 million (0%) from $86.1 million in 2019 to $86.3 million in 2020, primarily due to the following factors:

- State revenues increased by $0.7 million (2%), mainly due to a $0.7 million increase in state operating funding. Capital project funding from the state was level to the prior year.
- County appropriations increased $0.8 million (3%), due to the county's legislation requiring a 2% increase in appropriations each year and a $0.3 million increase in capital funding for the Workforce Training Center - Phase I project.
- U.S. government revenues decreased by $1.3 million (6%), due to a decrease in the fiscal year 2020 federal Pell grants as a result of the FTE enrollment decreasing and the eligibility of students.
- Foundation and other income and investment income and other nonoperating revenues were flat.

Total 2019 nonoperating revenues increased $0.6 million (1%) from $85.5 million in 2018 to $86.1 million in 2019, largely due to the following factors:

- State revenues increased by $1.3 million (3%), mainly due to a $0.9 million increase in state operating funding and a $0.4 million increase related to capital projects.
- County appropriations increased $1.0 million (4%), due to the county's legislation requiring a 2% increase in appropriations each year and $0.5 million in capital funding for the Workforce Training Center - Phase I project.
- U.S. government revenues decreased by $1.7 million (7%), due to a decrease in the fiscal year 2019 federal Pell grants as a result of the FTE enrollment decreasing and the eligibility of students.
- Foundation and other income and investment income and other nonoperating revenues remained level.

Condensed information from the College's statements of revenues, expenses and changes in net position follows:

	Fiscal Year ended June 30		
	2020	**2019**	**2018**
Operating revenues:			
Student tuition and fees, net	$ 31,289,071	$ 34,410,011	$ 32,517,434
Federal, state and local grants and contracts	13,482,726	9,925,545	9,688,162
Nongovernmental grants and contracts	3,680,320	2,962,832	2,792,113
Auxiliary enterprises	487,301	667,338	649,850
Total Operating Revenues	48,939,418	47,965,726	45,647,559
Operating expenses:			
Academic and student support and services	96,992,798	101,156,986	98,908,062
Scholarships and fellowships (financial aid)	10,363,943	7,904,952	5,779,581
Plant operations	24,678,652	25,538,936	24,579,172
Auxiliary operations	111,870	78,452	63,654
Total Operating Expenses	132,147,263	134,679,326	129,330,469
Net Operating Loss	$ (83,207,845)	$ (86,713,600)	$ (83,682,910)

	Fiscal Year ended June 30		
	2020	**2019**	**2018**
Nonoperating revenues:			
Government appropriations	$ 87,741,010	$ 87,520,949	$ 86,933,423
Investment, Foundation and other income	1,149,790	1,457,489	969,743
Other nonoperating revenues - net	175,428	203,990	70,389
Total Nonoperating Revenues	89,066,228	89,182,428	87,973,555
Nonoperating expenses:			
Interest expense	2,714,053	3,068,841	2,490,166
Total Nonoperating Expenses	2,714,053	3,068,841	2,490,166
Net Nonoperating Revenues	86,352,175	86,113,587	85,483,389
Increase (Decrease) in net position	3,144,330	(600,013)	1,800,479
Net Position - beginning of year	121,716,520	122,316,533	120,516,054
Net Position - end of year	$ 124,860,850	$ 121,716,520	$ 122,316,533
TOTAL REVENUES	$ 138,005,646	$ 137,148,154	$ 133,621,114
TOTAL EXPENSES	$ 134,861,316	$ 137,748,167	$ 131,820,635

State Appropriations

State funding for fiscal years prior to 2006 was subject to audit disallowances, and funding for prior fiscal years has been resolved. Unlike years prior to fiscal 2006, the state funding the College received for 2007 and subsequent fiscal years is final and not subject to future audit disallowances.

In fiscal year 2020, the College received $36,356,578 from the state, an increase of $671,165 from the 2019 appropriation.

In fiscal year 2019, the College received $35,685,413 from the state, an increase of $936,179 from the 2018 appropriation.

State Capital Appropriations

Mandated capital contributions for existing debt service and existing lease obligations have continued.

During fiscal year 2020, the College received $4.6 million from the state for debt service and capital projects. The College also received approval from the state to fund 50% of a capital project ($10.0 million) for the $20.0 million Workforce Training Center – Phase 2 project. The College must provide a 50% match for this project.

During fiscal year 2019, the College received $4.7 million from the state for debt service and capital projects. The College also received approval from the state to fund 50% of a capital project ($2.7 million) for the $5.4 million West Hall Backfill - Phase II Renovation project. The College must provide a 50% match for these projects.

County Appropriations

The following is a summary of funding received from the county:

Fiscal year 2021: The county has appropriated operating funds of $26,695,977 in its calendar year 2020 budget for the College's 2021 fiscal year. This appropriation includes the 2% annual increase adopted by county ordinance. In addition, the county appropriated $800,000 of capital for the College.

Fiscal year 2020: The county has appropriated operating funds of $26,172,526 in its calendar year 2019 budget for the College's 2020 fiscal year. This appropriation includes the 2% annual increase adopted by county ordinance. In addition, the county appropriated $800,000 of capital for the College.

Debt and Capital Activity

In June 2020, the College entered into a loan agreement for $947,249. The loan proceeds were designated for the replacement of microcomputer systems, laptops and workstations.

In June 2020, the College issued a new $18,920,000 bond issue (Series of 2020). Bond proceeds were designated to fund construction of the new Workforce Training Center-Phase 2.

In December 2019, the College refunded its Series of 2011 A Bonds. The $7,525,000 issue became the Series of 2019 A Bonds. The issuance totaled $8,336,739 and included the $8,208,125 retirement of the 2011 bonds. The refunding resulted in $349,015 in savings to be recognized.

In December 2019, the College refunded its Series of 2011 Bonds. The $2,115,000 issue became the Series 2019 B Bonds. The issuance totaled $2,275,831 and included the $2,240,315 retirement of the second Series of 2011 Bonds. The refunding resulted in $106,692 in savings to be recognized.

In March 2019, the College entered into a loan agreement for $1,620,726. The loan proceeds were designated for the replacement of microcomputer systems, laptops and workstations.

Economic Outlook

State appropriations, county appropriations, student tuition and fees, and federal grants and contracts compose the College's principal revenue sources and support the College's operational needs and its abilities to expand programs and pursue other initiatives. The viability of each of these four critical revenue components is highly dependent on variables external to the College such as enrollment trends, local and state economic conditions, federal, state and local legislative actions and others. The College's ability to manage fluctuations within these revenue sources, as well as potential increases in employee related costs, will be vital to its continued success. The College continues a number of budgetary measures, including the implementation of the 2020 early Retirement Incentive Plan, expanding operational efficiencies and energy-saving initiatives and moving forward with the College's Facilities Master Plan. The College continues to use the 2018 update to its Facilities Master Plan as a tool to assess CCAC's current condition and needs, to create a vision, and to prepare for the future.

The coronavirus pandemic could affect the College and its operations into the future. After ceasing in-person instruction in March 2020, the College resumed limited in-person instruction in June 2020 and increased the modalities of courses for the Fall semester by offering courses in face-to-face settings, fully online and a hybrid model that includes some face-to-face and online course work. The ongoing pandemic-related restrictions and closures could result in direct operational and administrative disruptions to the College. The economic position of the College's sponsors, grantors, donors and partners could also be adversely affected by these disruptions, which in turn could negatively impact the College's net position. The College is unable to accurately predict how the restrictions related to coronavirus pandemic will affect the results of its operations because the disease's severity and the duration of the outbreak are uncertain. While it is premature to accurately predict the ultimate impact of these developments, the College expects its financial results and outcomes for the year ended June 30, 2021 to be impacted.

During fiscal year 2021, the College received the following additional appropriations of funding under the federal CARES Act. These funds will be spent in accordance with the purposes set forth in the CARES Act and in compliance with the Act and related guidance issued by the United States government.

- August 2020, the College received a $0.4 million appropriation under the Strengthening Institutions Program (SIP) of the CARES Act.
- August 2020, the College received a $0.6 million appropriation from the State of Pennsylvania Governor's Emergency Education Relief Funds (GEER) from its CARES Act appropriation.
- September 2020, the College received a $3.74 million appropriation for direct emergency aid from Allegheny County from its CARES Act appropriation.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

Statements of Net Position

As of June 30, 2020 and 2019

	2020		2019	
	CCAC	CCAC Educational Foundation	CCAC	CCAC Educational Foundation
Current Assets:				
Cash and cash equivalents	$ 33,302,914	$ 7,970,668	$ 27,808,417	$ 3,211,830
Restricted cash and cash equivalents	3,401,947	-	4,986,433	-
Investments	-	12,292,746	-	11,314,859
Due from federal government	769,584	-	301,267	-
Due from Foundation and other	985,520	-	497,009	-
Due from Commonwealth of Pennsylvania	593,393	-	791,256	-
Due from student and third-party sponsors - net of allowances of $11,896,551 and $11,021,826, respectively	6,153,109	-	7,455,285	-
Unconditional promises to give - receivable in less than one year	-	3,920,904	-	855,910
Prepaid expenses and other assets	4,397,598	-	5,077,206	-
Total Current Assets	49,604,065	24,184,318	46,916,873	15,382,599
Noncurrent Assets:				
Restricted cash and cash equivalents	41,145,016	-	20,231,311	-
Prepaid debt insurance	425,214	-	387,503	-
Unconditional promises to give	-	7,296,672	-	3,066,737
Capital assets - net	161,401,390	-	163,541,602	-
Total Noncurrent Assets	202,971,620	7,296,672	184,160,416	3,066,737
Total Assets	252,575,685	31,480,990	231,077,289	18,449,336
Deferred Outflow of Resources:				
Deferred charges on refunding debt	1,328,784	-	970,914	-
Deferred charges on net pension liability	2,610,453	-	3,380,102	-
Deferred charges on other post-employment benefit liability	83,829	-	75,145	-
Total Deferred Outflow Of Resources	4,023,066	-	4,426,161	-
Total Assets And Deferred Outflow Of Resources	$ 256,598,751	$ 31,480,990	$ 235,503,450	$ 18,449,336
Current Liabilities:				
Accounts payable	$ 4,482,550	-	$ 5,328,840	-
Accrued salaries and wages	3,119,391	-	3,675,950	-
Compensated absences	3,089,983	-	3,057,477	-
Retirement incentive plan	605,890	-	-	-
Other accrued liabilities	4,981,648	-	3,051,675	-
Due to Community College of Allegheny County	-	$ 226,279	-	$ 86,949
Unearned revenue	2,265,229	349,999	2,186,081	118,181
Long-term obligations - current portion	7,552,091	-	6,497,520	-
Total Current Liabilities	26,096,782	576,278	23,797,543	205,130
Noncurrent Liabilities:				
Long-term obligations	96,547,467	-	80,716,133	-
Net pension liability	7,707,518	-	8,824,439	-
Net other post-employment benefit liability	245,000	-	223,000	-
Total Noncurrent Liabilities	104,499,985	-	89,763,572	-
Total Liabilities	130,596,767	576,278	113,561,115	205,130
Deferred Inflow of Resources:				
Deferred amounts on net pension liability	1,134,134	-	217,815	-
Deferred amounts on net post-employment benefit liability	7,000	-	8,000	-
Total Deferred Inflow Of Resources	1,141,134	-	225,815	-
Net Position:				
Net investment in capital assets	93,842,223	-	95,183,084	-
Restricted:				
Expendable	7,630,596	21,033,691	3,772,270	9,422,585
Nonexpendable	-	5,509,223	-	4,548,101
Total Restricted	7,630,596	26,542,914	3,772,270	13,970,686
Unrestricted	23,388,031	4,361,798	22,761,166	4,273,520
Total Net Position	124,860,850	30,904,712	121,716,520	18,244,206
Total Liabilities, Deferred Inflow Of Resources And Net Position	$ 256,598,751	$ 31,480,990	$ 235,503,450	$ 18,449,336

See notes to financial statements.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2020 and 2019

	2020		2019	
	CCAC	CCAC Educational Foundation	CCAC	CCAC Educational Foundation
Operating Revenues:				
Student tuition and fees - net of scholarships allowances of $20,117,646 and $20,520,830, respectively	$ 31,289,071	-	$ 34,410,011	-
Federal grants and contracts	10,601,710	-	7,016,528	-
State and local grants and contracts	2,881,016	-	2,909,017	-
Nongovernmental grants and contracts	3,680,320	$ 15,273,575	2,962,832	$ 8,112,671
Contributed services	-	348,744	-	313,702
Special events	-	67,641	-	82,686
Sponsorship income	-	298,182	-	48,182
Auxiliary services	487,301	-	667,338	-
Total Operating Revenues	48,939,418	15,988,142	47,965,726	8,557,241
Operating Expenses:				
Instruction	47,224,836	-	51,440,504	-
Academic support	7,960,029	-	8,807,490	-
Student services and activities	12,612,171	-	15,183,269	-
Institutional support	29,195,762	-	25,725,723	-
Plant operations and maintenance	14,959,716	-	16,573,675	-
Scholarships and fellowships (financial aid)	10,363,943	-	7,904,952	-
Depreciation and amortization	9,718,936	-	8,965,261	-
Program services	-	3,225,829	-	1,948,539
Management and general	-	314,458	-	292,178
Fundraising	-	120,553	-	131,617
Auxiliary enterprises:				
Bookstore	111,870	-	78,452	-
Total Operating Expenses	132,147,263	3,660,840	134,679,326	2,372,334
OPERATING (LOSS) INCOME	(83,207,845)	12,327,302	(86,713,600)	6,184,907
NONOPERATING REVENUES (EXPENSES):				
Government appropriations:				
Commonwealth of Pennsylvania	41,002,110	-	40,324,950	-
Allegheny County	26,972,526	-	26,159,339	-
U.S. Government	19,766,374	-	21,036,660	-
Investment income	450,227	333,204	686,161	463,365
Foundation and other income	699,563	-	771,328	48
Interest expense	(2,714,053)	-	(3,068,841)	-
Other nonoperating revenues - net	175,428	-	203,990	-
Total Net Nonoperating Revenues	86,352,175	333,204	86,113,587	463,413
INCREASE (DECREASE) IN NET POSITION	3,144,330	12,660,506	(600,013)	6,648,320
NET POSITION - Beginning of year	121,716,520	18,244,206	122,316,533	11,595,886
NET POSITION - End of year	$ 124,860,850	$ 30,904,712	$ 121,716,520	$ 18,244,206

See notes to financial statements.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY

Statements of Cash Flows

For the years ended June 30, 2020 and 2019

	CCAC	
	2020	2019
Cash Flows From Operating Activities:		
Tuition and fees	$ 32,670,395	$ 27,333,409
Grants and contracts	16,892,592	13,429,320
Payments to suppliers	(27,546,278)	(39,061,329)
Payments to employees	(92,455,115)	(80,959,533)
Bookstore receipts	487,301	667,338
Auxiliary payments	(111,870)	(78,452)
Net Cash Used In Operating Activities	(70,062,975)	(78,669,247)
Cash Flows From Noncapital Financing Activities:		
State appropriations	41,002,110	40,324,950
County appropriations	26,972,526	26,159,339
Federal appropriations	19,766,374	21,036,660
Foundation and other receipts/payments - net	248,099	711,366
Net Cash Flows Provided By Noncapital Financing Activities	87,989,109	88,232,315
Cash Flows From Capital And Related Financing Activities:		
Proceeds of loans and bond issuance	32,859,055	1,745,844
Purchases of capital assets	(7,507,685)	(14,410,390)
Principal paid on capital debt and leases	(15,665,249)	(6,058,600)
Interest paid on capital debt and leases	(3,220,741)	(3,357,194)
Other receipts/payments - net	(18,026)	104,277
Net Cash Provided By (Used In) Capital And Related Financing Activities	6,447,354	(21,976,063)
Cash Flows From Investing Activities:		
Interest on investments	450,228	686,161
Increase (Decrease) In Cash And Cash Equivalents	24,823,716	(11,726,834)
Cash And Cash Equivalents (Including Restricted Cash) - Beginning of year	53,026,161	64,752,995
Cash And Cash Equivalents (Including Restricted Cash) - End of year	$ 77,849,877	$ 53,026,161
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities:		
Operating loss	$ (83,207,845)	$ (86,713,600)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:		
Depreciation and amortization expense	9,718,935	8,965,261
Bad debt expense	2,810,406	2,496,900
Loss on disposal of capital assets	37,638	-
Change in assets and liabilities:		
Receivables	(1,778,684)	(2,236,728)
Prepaid expenses and other assets	533,221	(924,674)
Accounts payable and accrued expenses	(1,370,343)	(82,884)
Unearned tuition and student deposits	79,148	(194,237)
Early retirement plan	605,890	-
Other accrued	1,927,296	(736,341)
Deferred outflows	760,965	(1,222,982)
Deferred inflows	915,319	(116,953)
Net pension liability	(1,116,921)	2,054,991
Net other post-employment benefit liability	22,000	42,000
Net Cash Used In Operating Activities:	$ (70,062,975)	$ (78,669,247)

See notes to financial statements.

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
Statements of Cash Flows
For the years ended June 30, 2020 and 2019

	CCAC Education Foundation	
	2020	2019
Cash Flows From Operating Activities:		
Change in net assets	$ 12,660,506	$ 6,648,320
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(302,869)	(440,513)
Change in:		
Unconditional promises to give	(7,294,929)	(2,231,527)
Contributions restricted for long-term purposes	(2,752,250)	(270,000)
Due to Community College of Allegheny County	139,330	8,560
Deferred revenue	231,818	(18,182)
Net Cash Provided By Operating Activities	2,681,606	3,696,658
Cash Flows From Financing Activities:		
Contributions restricted for long-term purposes	2,752,250	270,000
Cash Flows From Investing Activities:		
Purchase of investments	(1,303,182)	(1,460,954)
Proceeds from sale of investments	628,164	517,226
Net Cash Used In Investing Activities	(675,018)	(943,728)
Net Increase In Cash	4,758,838	3,022,930
Cash And Cash Equivalents - Beginning of year	3,211,830	188,900
Cash And Cash Equivalents - End of year	$ 7,970,668	$ 3,211,830

See notes to financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community College of Allegheny County (College or CCAC) is an institution of higher education. General Commonwealth of Pennsylvania (State or Commonwealth) legislation "The Community College Act of 1963" (Act 1963), as amended, provides for the establishment of community colleges and for the reimbursement of certain community college expenditures from State funds appropriated for this purpose. In addition, the State shall reimburse the College for one-half of all approved capital expenditures, including debt service and net rental costs (gross rentals less amounts included therein for maintenance). The remaining operating expenses must be provided by the sponsor of the College or by private sources, nonstate public sources and from student tuition. The remaining capital expenditures must be provided by the sponsor. Allegheny County (County) is the sponsor of the College. The College is a component unit of the County, since it is a legally separate organization for which the nature and significance of the relationship with the County is such that exclusion from the audited financials of the County would cause the financials of the County to be misleading or incomplete. As a result, the College's financial statements will be included in the County's December 31, 2020 comprehensive annual financial report.

The College is exempt from income taxes, except for unrelated business income, as a political subdivision under federal income tax laws and regulations of the Internal Revenue Service.

The Allegheny County Community College Educational Foundation (Foundation) is a component unit of the College. It is a legally separate organization for which the nature and significance of the relationship with the College is such that exclusion would cause the College's audited financials to be misleading or incomplete. The Foundation's financial statements identify the financial data of the College's component unit, which is a legally separate, not-for-profit organization incorporated and operated exclusively for the benefit of the College and is presented as a discrete component unit in the accompanying financial statements in accordance with *Governmental Accounting Standards Board* (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*. It is reported separately to emphasize that it is legally separate from the College. The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board standards. As such, certain revenue-recognition criteria and presentation features are different from GASB revenue-recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein. Complete financial statements for the Foundation can be obtained from Mr. James R. McMahon, Executive Director of the Foundation, 808 Ridge Avenue, Pittsburgh, Pennsylvania 15212-6097. (See also Note 12.)

The College applies GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. The objective of this statement is to modify certain requirements for inclusion of component units in the financial reporting entity.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), using the economic resources measurement focus and the accrual basis of accounting. The College follows accounting principles issued by the GASB. The financial statements of its component unit are also presented under the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to periodically 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 materially from those estimates.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the College receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis. Reimbursements for operating expenditures from the County and the State are recorded as revenue when earned.

Unearned Revenue

Unearned revenue arises when cash is received before revenue recognition criteria has been satisfied. Unearned revenues are composed of deferred grant revenue and student tuition revenue and deposits. Unearned grant revenue represents monies received on approved grants in advance of incurring the corresponding expenses. Student deposits and tuition received at June 30 and applicable to the subsequent summer and fall terms have been deferred and are included in revenue in the succeeding year. In addition, certain grant proceeds that do not meet the revenue recognition criteria under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 36, *Recipient Reporting for Certain Sharing Nonexchange Revenues* (an amendment of GASB Statement No. 33) are deferred.

Expenses

On the accrual basis of accounting, expenses are recognized when they are incurred.

Cash and Cash Equivalents (including restricted)

The College considers all highly liquid investments with original maturities of three months or less to be cash equivalents and are stated at fair value. Restricted cash and cash equivalents are the unspent bond proceeds held in trust related to various campus capital outlay projects.

Student and Third-Party Sponsors Receivables

Accounts receivable consist of amounts due for tuition and fees and grants and contracts from the federal, state and local governments, or private sources, made in accordance with agreements. Uncollectible amounts have been reserved on a percentage basis of accounts receivable balance by aging category.

Capital Assets

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. Building improvements and improvements other than buildings are recorded at the aggregate cost of the construction of the improvement. Expenditures for construction in progress are capitalized as incurred. Repair and maintenance costs are expensed as incurred; renovations and improvements, which extend the physical or economic life of an asset, are capitalized. Library books are purchased and recorded as a composite group of similar assets according to the limits within the depreciation and amortization note. When property is sold or otherwise disposed of, the carrying value of such assets is removed from the accounts.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation and Amortization

Depreciation and amortization of leased and owned assets are computed on the straight-line method over the estimated useful lives of the leased and owned property and equipment and are presented as a separate functional expense category in the statements of revenues, expenses and changes in net position.

The College's estimated useful lives used to compute depreciation and capitalization limits are as follows:

Assets	Estimated Useful Lives
Buildings	50 years
Leasehold improvements and infrastructures	25 years
Land improvements	15 years
Furniture and fixtures	10 years
Library books	10 years
Equipment (other than computer) and vehicles	7 years
Computer equipment	5 years
Computer software	3 years

Bond Interest Expense

Interest expense is capitalized on qualifying assets during the period necessary to ready the assets for its intended use. Interest capitalized is net of interest earnings, if any, from proceeds of tax-exempt borrowings for the respective projects. For fiscal year 2020, total interest incurred amounted to $2,871,491, of which $132,954 was capitalized. For fiscal year 2019, total interest incurred amounted to $3,232,076, of which $76,554 was capitalized.

Compensated Absences

Full-time employees receive paid time off for vacation, illness and personal reasons. Time is accrued on a monthly basis based on a calendar year or academic calendar year based on employee job classification. The amount of time accrued plus the amount of unused leave that can be carried over into the next calendar year or academic year is dependent on the employee's job classification. Compensated absences, including unpaid vacation and sick leave, are accrued to conform to GASB Statement No. 16, *Accounting for Compensated Absences*, using the vesting method. In accordance with Allegheny Federation of Teachers (AFT) collective bargaining agreement Article XXV, A9, a tenured fulltime teaching employee may accumulate a maximum of 24 unpaid credit teaching overage hours. Compensated absences also includes banked credits. Banked credits occur when a tenured full-time teaching employee teaches above his/her base course load of 15 credits, he/she can then elect to bank the time instead of receiving overage compensation at that time. The person may later elect to utilize the earned leave to reduce his/her work schedule at 90% of the compensable rate. At time of retirement or separation of employment, any remaining credit will be paid at the overage rate in effect at the time of their accumulation with no accrued interest. (See Note 8 for more information.)

Net Position Classifications

Net position is required to be classified for accounting and reporting purposes into the following categories:

Net Investment in Capital Assets

This category includes all of the College's capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction or improvement of those assets.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted

The College classifies the net position resulting from transactions with purpose restrictions as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact.

- Restricted expendable - may be spent by the College, but only for the purpose specified by the donor, grantor or other external entity. (See Note 2 for further explanation for what is included in this category.)

- Restricted nonexpendable - funds held in perpetuity as designated by the donor; however, interest and dividends from these funds are used for scholarships of students and other needs, as directed by the donor.

Unrestricted

The net position that is neither reserved, restricted, nor invested in capital assets, net of related debt, is classified as unrestricted net position. The College's unrestricted net position may be designated by actions of the College's Board of Trustees (Board).

Use of Restricted Net Position

The College is not required to adopt, nor has it adopted, a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Generally, the College utilizes restricted net position first when practicable.

Operating Revenues and Expenses

All revenues from tuition, auxiliary enterprises and grant sources are considered to be operating revenues. Operating expenses include educational costs, auxiliary enterprises, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition, including State appropriations, investment income and interest on capital asset-related debt, are reported as nonoperating revenues and expenses.

Scholarship Allowances

Scholarship allowances represent the difference between the stated charge for services provided by the College and the amount that is paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid, such as federal Pell grants and scholarships awarded by the College, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statements of revenues, expenses and changes in net position.

Bond Premiums and Discounts

Bond premiums and discounts are amortized over the term of the bonds. Bond premiums are presented as an increase in the face amount of the applicable debt payable, while discounts are presented as a decrease in the face amount of the debt payable. The College refinances bonds when the market conditions are appropriate for refinancing.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods, so it will not be recognized as an outflow of resources (expense/expenditure) until then. The College's deferred outflows of resources are related to the net pension liability, deferred charges related to the net liability for other post-retirement benefits, and deferred charges arising from the refinancing of debt. More detailed information related to the net pension liability and net other post-retirement benefit liability can be found in Note 10 and Note 11.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period, so it will not be recognized as an inflow of resources (revenue) until that time. The College's deferred inflows of resources are related to the net pension liability and deferred charges related to the net liability for other post-retirement benefits. More detailed information related to the net pension liability and net other post-retirement benefit liability can be found in Note 10 and Note 11.

Pensions

GASB Statements No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* and No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68* require governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits and also require a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplementary information (RSI).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about fiduciary net position of the Pennsylvania State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS) and additions to/deductions from SERS's and PSERS's fiduciary net position have been determined on the same basis as they are reported by SERS and 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.

Other Post-Employment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for Other Post-Employment Benefits (OPEB) plans and replaces the requirements of Statements No. 45, *Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pensions*.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about fiduciary net position of the PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by 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.

Newly Adopted and Issued Accounting Pronouncements

The GASB has issued the following statement, which was evaluated and adopted by the College during the fiscal year ended June 30, 2020:

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain GASB statements. This statement is effective immediately. Implementation of Statement 95 resulted in the postponement of the implementation of GASB 87, *Leases*, and GASB 89, *Construction Interest Costs.*

The GASB has issued the following statements not yet implemented by the College. The College's management is currently evaluating these standards to determine the effect, if any, these statements will have on the College's financial statements and related disclosures:

GASB issued Statement No. 87, *Leases*, which provides guidance regarding improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 15, 2021.

GASB issued Statement No. 89, *Accounting for Interest Costs*, which provides guidance regarding improving information about capital assets and the cost of borrowing by governments. This statement is effective for reporting periods beginning after December 15, 2020.

GASB issued Statement No. 91, *Conduit Debt Obligations*, which provides guidance for a single method of reporting conduit debt obligations by issuers. This statement is effective for reporting periods beginning after December 15, 2021.

GASB issued Statement No. 92, *Omnibus 2020*, which provides guidance for reporting of pensions and related assets. This statement is effective for reporting periods beginning after June 15, 2021.

GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which provides guidance for accounting and reporting implications resulting from the replacement of London Inter-bank Offered Rate (LIBOR). This statement is effective for reporting periods beginning after June 15, 2021.

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for accounting and reporting subscription-based information technology arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* which provides guidance for reporting component units and certain defined contribution pension plans. This statement is effective for reporting periods beginning after June 15, 2021.

Subsequent Events

The College has evaluated subsequent events through December 4, 2020, the date on which the financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustments to our disclosures in the financial statements except for the matters described in the following paragraphs.

The coronavirus pandemic could materially and adversely affect the College and its operations into the future. The College resumed limited in-person instruction in June 2020 after ceasing in-person instruction in March 2020. The College offered a full slate of courses for the Fall 2020 semester and has adapted its teaching model to incorporate several modalities to better serve students. Courses are offered in face-to-face settings, fully online and a hybrid model that includes some face-to-face and online course work. The ongoing pandemic-related travel restrictions and closures could result in further direct operational and administrative disruptions to the College. The economic position of the College's sponsors, grantors, donors and partners could be adversely affected by these disruptions, which in turn could negatively impact the College's net position. The College is unable to accurately predict how the restrictions related to coronavirus pandemic will affect the results of its operations because the disease's severity and the duration of the outbreak are uncertain. While it is premature to accurately predict the ultimate impact of these developments, the College expects its financial results and outcomes for the year ended June 30, 2021 to be impacted.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The College was allocated appropriations under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. In August 2020, the College received a $398,263 appropriation under the Strengthening Institutions Program (SIP) of the Act and a $615,330 appropriation from the State of Pennsylvania Governor's Emergency Education Relief Funds (GEER) from its CARES Act appropriation, and in September 2020, the College received a $3,740,000 appropriation in direct emergency aid from Allegheny County from its CARES Act appropriation. These funds will be spent in accordance with the purposes set forth in the CARES Act and in compliance with the Act and related guidance issued by the United States government. Additional information can be found in Note 15.

NOTE 2 - NET POSITION

Of the total net position as of June 30, the following constraints upon their use have been imposed, either externally or internally by action of the Board:

	2020	2019
Restricted expendable net position:		
Scholarship and tuition funds	$ 129,666	$ 152,550
Student development funds	1,734,098	1,220,705
Capital outlay	5,766,832	2,399,015
Total restricted expendable net position	$ 7,630,596	$ 3,772,270

	2020	2019
Unrestricted net position:		
Board-designated:		
Campus building projects	$ 3,550,811	$ 2,633,205
Reserve for facilities emergency and other compelling needs	1,224,810	2,311,138
915 Ridge property	470,126	491,509
Allegheny County Schools Health Consortium	3,023,580	2,877,407
Visual Arts Center	544,262	329,939
Emergency erosion improvements and repairs	600,000	-
Total Board-designated:	$ 9,413,589	$ 8,643,198
Undesignated:		
Auxiliary services	8,468,192	8,207,329
Future operations	2,303,580	2,978,072
Future capital projects	3,202,670	2,932,567
Total Undesignated	13,974,442	14,117,968
Total unrestricted net position	$ 23,388,031	$ 22,761,166

NOTE 2 - NET POSITION (Continued)

Scholarships and Student Development

Scholarship and tuition and student development funds include funds that have been generated from student-related sources, the principal source of which is student fees. As such, the funds must be used specifically for the benefit of students. The allocation of scholarships and development is determined by the Board.

Capital Outlay Reserve

Capital outlay funds may be reserved or restricted by the Board or debt-related restrictions. Restrictions on current capital outlay include the terms of appropriations, interest earned on bond proceeds and unspent bond proceeds, which are restricted for the use of capital purchases under terms of the debt agreements.

Board-Designated Net Position

Campus Building Projects Reserve

From time-to-time, the Board authorizes allocations to this reserve to carry out renovation and construction projects. The most significant current projects include the Science Center and Technology Infrastructure Upgrade. For fiscal year 2019, expenses for the Science Center and Technology Infrastructure Upgrade projects exceeded Board-designated operating transfers and revenues by $1,841,707, reducing the reserve to $2,633,205 as of June 30, 2019.

For the fiscal year 2020, Board-designated transfers and revenues exceeded expenses for the Science Center and Technology Infrastructure Upgrade projects by $917,606, increasing the reserve to $3,550,811 as of June 30, 2020.

Facilities Emergency and Other Compelling Needs

For fiscal 2019, Board-designated transfers out and expenses to fund network infrastructure upgrades, deferred maintenance and the State match required for the electrical power and HVAC upgrade project loans exceeded miscellaneous revenues by $1,867,453, thereby reducing the reserve to $2,311,138 as of June 30, 2019. For fiscal 2020 board-designated transfers out and expenses to fund network infrastructure upgrades, deferred maintenance and the State match required for the electrical power and HVAC upgrade project loans exceeded miscellaneous revenues by $1,086,328, thereby reducing the reserve to $1,224,810 as of June 30, 2020. The reserve has been designated for the following capital projects as of June 30:

	2020	2019
Electrical Upgrade Project Match	$ 554,377	$ 923,961
HVAC Upgrade Project Match	615,173	861,243
Allegheny Parking Lots	51,046	39,445
Network Infrastructure	-	1,805
Miscellaneous Deferred Maintenance Projects - College-wide	4,214	484,684
Total designated projects	$ 1,224,810	$ 2,311,138

915 Ridge Property

Rental income in excess of rental expenses is designated for future improvements or renovations to the 915 Ridge property. During fiscal year 2020, expenses exceeded revenues by $21,383, thereby reducing the designated net position to $470,126 as of June 30, 2020.

NOTE 2 - NET POSITION (Continued)

Allegheny County Schools Health Insurance Consortium

CCAC is a member of the Allegheny County Schools Health Insurance Consortium (Consortium). The Consortium was formed to purchase health benefits on behalf of Allegheny County Schools. CCAC's portion of the Consortium's total net assets available for benefits as of June 30, 2020 and 2019 was $3,023,580 and $2,877,407, respectively.

Visual Arts Center (900 Lincoln Avenue Property)

In August 2016, the College entered into a three-year lease agreement with the City of Pittsburgh (City) for the space that formerly served as the College's Visual Arts Center located at 900 Lincoln Avenue. The lease agreement contained a renewal provision for up to three one-year renewals. The College has exercised the first two renewals through June 30, 2021.

The City utilizes the space as a training center for its police force. The income in excess of rental expenses is designated for future improvements or renovations to the 900 Lincoln Avenue property. During fiscal year 2020, revenues exceeded expenses by $214,323, thereby increasing the designated net position to $544,262 as of June 30, 2020.

Emergency Erosion Improvements and Repairs Fund

At the March 2020 meeting, the Board authorized a reserve fund in the amount of $600,000 for emergency improvements and repairs related to an erosion control project. The reserve was funded by transferring $424,905 from the reserve for facilities emergency and other compelling needs and allocating $175,095 from the current year gain on the sale of assets.

Reserve for Auxiliary Services

The reserve for auxiliary services is the excess of revenues over expenses from auxiliary enterprise operations.

Reserve for Future Operation

Reserve for future operations is composed of funds that have not been currently designated by the Board for future operations.

Reserve for Future Capital Projects

This reserve was established by the College in 2017 to fund future capital projects. For fiscal 2019, board-designated transfers in exceeded expenses by $385,978 and capital outlay revenues increased by $80,919 from a gain on the sale of assets, thereby increasing the reserve to $2,932,567 as of June 30, 2019. For fiscal 2020, board-designated transfers in exceeded expenses by $269,179 and capital outlay revenues increased by $176,019 from a gain on the sale of assets. Additionally, there was a $175,095 transfer out to fund a new reserve for emergency improvements and repairs, thereby increasing the reserve to $3,202,670 as of June 30, 2020.

Undesignated and Unrestricted Reserve Fund

At the January 2018 meeting of the College's Board, the annual operating budget policy was revised to call for an administrative process that annually sets aside a portion of actual current fund operating revenues and existing unrestricted net position to maintain an Unrestricted Reserve Fund for future years for either Undesignated reserves or for Designated reserves for ongoing facilities maintenance, renovations, construction and other emergencies or compelling needs, including, but not limited to legal, technological, safety/risk management, academic or other financial imperatives. After actual current fund operating revenues used to fund current operating needs and strategic goals for the current fiscal year have been identified, it is the College's goal to generate excess revenues to provide for an ongoing unrestricted reserve balance at a level equal to at least 15% of the annual actual current fund operating revenues.

NOTE 3 - DEPOSITS AND INVESTMENTS

By policy of the Board, the College is permitted to invest funds consistent with sound business practices in the following types of investments: U.S. Treasury Bills; obligations of the United States of America and related agencies and the Commonwealth of Pennsylvania; A-1, P-1-rated commercial paper, or equivalent instruments; fully collateralized, per Act 72, time deposits, certificates of deposit and repurchase agreements of financial institutions that have a short-term rating by Moody's (or equivalent) of "P-1" or better and whose long-term senior debt rating is "A2" or better and which have a combined capital surplus and undivided profits of not less than $1,000,000; money market mutual funds/investment companies that are AAA-rated by Moody's (or equivalent), managed to a $1.00 net asset value and are in compliance with Section 2A-7 of Securities and Exchange Commission (SEC) rules and which restrict their investments to instruments described above. No more than $5,000,000 of the College's cash reserves may be invested in instruments with maturities of more than one year, and in no event may any investment have a maturity of more than five years. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits.

The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 40, *Deposit and Investment Risk Disclosures.*

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution or counterparty to a transaction, the College will be unable to recover the value of deposits or collateral securities that are in the possession of an outside party. The College's policy for deposits requires any balance not covered by depository insurance to be collateralized by the financial institution with eligible pledged securities. The June 30, 2020 and 2019 bank balances for cash and cash equivalents and restricted cash and cash equivalents were $34,311,196 and $28,470,194, and $41,145,016 and $20,231,311, respectively; the balances covered by federal depository insurance were $1,015,991 and $815,759, respectively; the balances covered by pledged securities held by the financial institution's trust department or in the name of the College were $63,905,021 and $37,500,584, respectively. The remaining bank balances as of June 30, 2020 and 2019 of $10,535,201 and $10,385,161, respectively, were not covered by depository insurance or collateralized by the financial institution with eligible pledged securities.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	July 1, 2019	Additions	Retirements *	June 30, 2020
Cost				
Capital assets not being depreciated:				
Construction-in-progress	$ 11,140,517	$ 3,506,379	$ (6,853,310)	$ 7,793,586
Land	4,028,747	-	-	4,028,747
	15,169,264	3,506,379	(6,853,310)	11,822,333
Capital assets being depreciated:				
Buildings	228,193,606	1,429,651	-	229,623,257
Land improvements	7,531,188	373	-	7,531,561
Infrastructure	10,584,412	1,008,538	-	11,592,950
Leasehold improvements	427,339	19,318	-	446,657
Equipment and vehicles	16,626,871	938,167	(146,054)	17,418,984
Grant-related equipment	7,177,890	587,565	(1,255)	7,764,200
Furniture and fixtures	2,898,707	129,631	(1,747)	3,026,591
Computer equipment	21,669,645	6,349,045	(1,514,395)	26,504,295
Computer software	5,512,871	216,738	-	5,729,609
Library books	5,854,395	175,590	-	6,029,985
	306,476,924	10,854,616	(1,663,451)	315,668,089
	321,646,188	14,360,995	(8,516,761)	327,490,422

	July 1, 2019	Additions	Retirements *	June 30, 2020
Accumulated depreciation and amortization				
Buildings	$ 104,547,626	$ 3,913,685	-	$ 108,461,311
Land improvement	6,410,658	241,274	-	6,651,932
Infrastructure	2,744,040	426,920	-	3,170,960
Leasehold improvements	74,258	17,480	-	91,738
Equipment and vehicles	11,672,051	1,408,696	$ (146,419)	12,934,328
Grant-related equipment	5,660,448	448,096	(1,255)	6,107,289
Furniture and fixtures	2,287,638	130,795	(1,234)	2,417,199
Computer equipment	15,320,010	2,375,048	(1,476,905)	16,218,153
Computer software	4,626,224	456,363	-	5,082,587
Library books	4,761,633	191,902	-	4,953,535
	158,104,586	9,610,259	(1,625,813)	166,089,032
Net investment in capital assets	$ 163,541,602			$ 161,401,390

* Included within retirement is the transfer of assets capitalized from within the construction-in-progress category.

NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2019 was as follows:

	July 1, 2018	Additions	Retirements *	June 30, 2019
Cost				
Capital assets not being depreciated:				
Construction-in-progress	$ 5,967,544	$ 8,781,327	$ (3,608,354)	$ 11,140,517
Land	4,028,747	-	-	4,028,747
	9,996,291	8,781,327	(3,608,354)	15,169,264
Capital assets being depreciated:				
Buildings	225,960,219	2,233,387	-	228,193,606
Land improvements	7,448,150	83,038	-	7,531,188
Infrastructures	9,056,925	1,527,487	-	10,584,412
Leasehold improvements	403,476	23,863	-	427,339
Equipment and vehicles	16,042,731	792,941	(208,801)	16,626,871
Grant-related equipment	6,768,614	424,784	(15,508)	7,177,890
Furniture and fixtures	2,715,199	183,508	-	2,898,707
Computer equipment	20,134,595	3,050,002	(1,514,952)	21,669,645
Computer software	4,761,626	751,245	-	5,512,871
Library books	5,687,233	167,162	-	5,854,395
	298,978,768	9,237,417	(1,739,261)	306,476,924
	308,975,059	18,018,744	(5,347,615)	321,646,188

	July 1, 2018	Additions	Retirements *	June 30, 2019
Accumulated depreciation and amortization				
Buildings	$ 100,668,597	$ 3,879,029	-	$ 104,547,626
Land improvements	6,167,035	243,623	-	6,410,658
Infrastructure	2,338,305	405,735	-	2,744,040
Leasehold improvements	58,119	16,139	-	74,258
Equipment and vehicles	10,481,787	1,399,065	$ (208,801)	11,672,051
Grant-related equipment	5,164,522	511,434	(15,508)	5,660,448
Furniture and fixtures	2,165,771	121,867	-	2,287,638
Computer equipment	14,987,006	1,840,713	(1,507,709)	15,320,010
Computer software	4,303,587	322,637	-	4,626,224
Library books	4,568,834	192,799	-	4,761,633
	150,903,563	8,933,041	(1,732,018)	158,104,586
Net investment in capital assets	$ 158,071,496			$ 163,541,602

* Included within retirement is the transfer of assets capitalized from within the construction-in-progress category.

NOTE 5 - STATE APPROPRIATIONS

State legislation provides for the establishment of community colleges and for the reimbursement of certain community college expenditures from State funds appropriated for this purpose. The legislation currently in effect (Act 46) provides that the State shall reimburse the College an amount for operating expenditures each year, consisting of a base amount not less than the amount received for the 2005 fiscal year. In addition, the College shall receive a pro rata share of the Economic Development Stipend fund, based on its enrollments in certain categories of workforce development-related programs and courses as compared to the other State community colleges' enrollments in those categories.

In addition, the State shall reimburse the College for one-half of all approved capital expenditures, including debt service and net rental costs (gross rentals less amounts included therein for maintenance). The State pays its share of operating expenses at the end of each quarter and has the option of paying its share of capital expenditures either when incurred or over a period of time. Election of the latter method requires the State to also pay a pro rata share of the interest expense incurred by the College. The remaining operating expenses must be provided by the sponsor of the College or by private sources, nonstate public sources and from student tuition. The remaining capital expenditures must be provided by the sponsor.

NOTE 6 - LONG-TERM OBLIGATIONS

Long-term obligations at June 30 are as follows:

Interest Rate	Next Installment Due	Maturity Due	Balance Due 2020	Balance Due 2019
Bonds payable				
SPSBA Series of 2011 - 2.0% to 3.8%	Jul 15	2025	$ -	$ 2,530,000
SPSBA Series A 2011 - 2.0% to 4.0%	Jul 15	2025	-	9,265,000
SPSBA 2012 - 2.0% to 5.0%	Jul 15	2034	34,870,000	35,820,000
SPSBA 2015 - 1.07% to 4.0%	Nov 15	2035	3,230,000	3,405,000
SPSBA 2016 - 2.0% to 5.0%	Dec 15	2027	7,035,000	7,870,000
SPSBA 2018 - 3.5% to 5.0%	Dec 15	2037	18,595,000	19,310,000
SPSBA 2019 A - 3.0% to 5.0%	Jul 15	2026	7,525,000	-
SPSBA 2019 B - 3.0% to 4.0%	Jul 15	2026	2,115,000	-
SPSBA 2020 - 3.0% to 5.0%	Sep 1	2039	18,920,000	-
Total bonds payable			92,290,000	78,200,000
Net Premiums			7,262,588	3,351,262
			99,552,588	81,551,262

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Interest Rate	Next Installment Due	Maturity Due	Balance Due 2020	Balance Due 2019
Loans payable				
2016 - 2.00%, $20,332 paid monthly		2020	-	$ 226,870
2017 - 2.00%, $317,006 paid semi-		2021	$ 932,294	1,538,477
2017 - 2.00%, $52,577 paid semi-		2021	134,817	255,162
2018 - 2.25%, $246,069 paid semi-		2022	1,189,867	1,647,404
2019 - 2.75%, $35,693 paid monthly		2023	1,081,604	1,477,953
2020 - 1.50%, $20,332 paid monthly		2024	947,249	-
Total loans payable			4,285,831	5,145,866
Capitalized lease obligations				
2.23%, $22,025 paid monthly		2021	261,139	516,525
Total capitalized lease obligations			261,139	516,525
Total obligations			104,099,558	87,213,653
Current portion			(7,552,091)	(6,497,520)
Total noncurrent long-term obligations			$ 96,547,467	$ 80,716,133

Bonds Payable

Unexpended bond proceeds and interest earned on proceeds of $41,145,016 and $20,231,311 at June 30, 2020 and 2019, respectively, are available to finance the completion of the projects included in the various bond issuances noted above and are included in noncurrent restricted cash and cash equivalents.

The following provides a summary description of the College's bond issuance activity through June 30, 2020:

- Series of 2008 SPSBA Bonds (SPSBA 2008) - (Retired) - In June 2008, the College, through the SPSBA, accomplished a new $22,040,000 bond issue (Series of 2008). Bond proceeds pertaining to the construction of a Science Center Facility on Allegheny Campus totaled $15,950,000, and the remaining $6,090,000 was for funding renovation projects to upgrade infrastructure at all four campuses. The refunding debt service was issued through the SPSBA to take advantage of the low-interest rate environment. The debt service retired totaled $9,805,000. (See Series of 2016 SPSBA below.)

- Series of 2011 SPSBA Bonds Refinancing Debt Service Bonds (SPSBA Series of 2011) - (Retired) - In August 2011, the College, through the SPSBA, refunded the Series of 2005 Bonds. The $4,445,000 issue became the Series of 2011 Bonds. The issuance totaled $4,505,112 and included the $4,330,000 retirement of the 2005 bonds. The refunding resulted in $182,226 in savings to be recognized. Principal payments on the bonds were due annually in July, while interest was due semiannually on January and July 15. Interest rates for the Series of 2011 Bonds ranged from 2.0% to 3.8%, compared to the 3.5% to 4.4% for the remainder of the 2005 Bonds. The final payment on the bonds is scheduled for July 15, 2025, but they were refinanced in December 2019. The refunding debt service was issued through the SPSBA to take advantage of bond savings. The debt service retired totaled $2,205,000. (See Series A of 2019 SPSBA below.)

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

- Series A of 2011 SPSBA Bonds Refinancing Debt Service Bonds (SPSBA Series A 2011) - (Retired) - In September 2011, the College, through the SPSBA, refunded the second Series of 2004 Bonds. The $15,800,000 issue became the Series A of 2011 Bonds. The issuance totaled $16,382,827 and included the $15,515,000 retirement of the second Series of 2004 Bonds. The refunding resulted in $936,014 in savings to be recognized. Principal payments on the bonds were due annually in July, while interest was due semiannually on January and July 15. Interest rates for the Series A of 2011 Bonds ranged from 2.0% to 4.0%, compared to the 3.5% to 4.8% for the remainder of the second Series 2004 Bonds. The final payment on the bonds is scheduled for July 15, 2025, but they were refinanced in December 2019. The refunding debt service was issued through the SPSBA to take advantage of bond savings. The debt service retired totaled $8,080,000. (See Series B of 2019 SPSBA below.)

- Series of 2012 SPSBA Bonds (SPSBA 2012) - In June 2012, the College, through the SPSBA, accomplished a new $40,000,000 bond issue (Series of 2012). Bond proceeds were used to finance renovation and improvements projects and ITS infrastructure improvements. The final payment for the bonds is scheduled for July 15, 2034. Principal payments on the bonds are due annually in July, while interest is due semiannually in January and July on the 15th.

- Series of 2015 SPSBA Bonds (SPSBA 2015) - In June 2015, the College, through SPSBA, accomplished a new $4,000,000 bond issue (Series of 2015). Bond proceeds were used to finance the acquisition and installation of energy-saving facilities, equipment, retro-commissioning and other energy-related upgrades at South Campus. The final payment for the bonds is scheduled for May 15, 2035. Principal payments on the bonds are due annually in May, while interest is due semiannually in November and May on the 15th.

- Series of 2016 SPSBA Bonds Refinancing Debt Service Bonds (SPSBA Series 2008) - In September 2016, the College, through the SPSBA, refunded the second Series of 2008 Bonds (see above). The $9,250,000 issue became the Series of 2016 Bonds. The issuance totaled $10,198,333 and included the $9,805,000 retirement of the Series of 2008 Bonds. The refunding resulted in $1,089,779 in savings to be recognized. Principal payments on the bonds are due annually in June, while interest is due semiannually on December and June 15. Interest rates for the Series of 2016 Bonds range from 2.0% to 5.0%, compared to the 3.6% to 4.55% for the remainder of the Series 2008 Bonds. The final payment on the bonds is scheduled for June 15, 2027.

- Series 2018 Bond SPSPBA Bonds (SPSBA 2018) - In May 2018, the College, through SPSBA, accomplished a new $20,000,000 bond issue (Series of 2018) for the construction of the new Workforce Training Center-Phase 1. The final payment for the bonds is scheduled for June 15, 2037. Principal payments on the bonds are due annually in December, while interest is due semiannually in December and June on the 15th.

- Series A of 2019 SPSBA Bonds Refinancing Debt Service Bonds (SPSBA Series A of 2019) - In December 2019, the College, through the SPSBA, refunded the Series A of 2011 Bonds (see above). The $7,525,000 issue became the Series A of 2019 Bonds. The issuance totaled $8,336,739 and included the $8,208,125 retirement of the 2011 bonds. The refunding resulted in $349,015 in savings to be recognized. Principal payments on the bonds are due annually in July, while interest is due semiannually on January and July 15. Interest rates for the Series A of 2019 Bonds range from 3.0% to 5.0%, compared to the 3.0% to 4.0% for the remainder of the 2011 Bonds. The final payment on the bonds is scheduled for July 15, 2025.

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

- Series B of 2019 SPSBA Bonds Refinancing Debt Service Bonds (SPSBA Series B 2019) - In December 2019, the College, through the SPSBA, refunded the second Series of 2011 Bonds (see above). The $2,115,000 issue became the Series B of 2019 Bonds. The issuance totaled $2,275,831 and included the $2,240,315 retirement of the second Series of 2011 Bonds. The refunding resulted in 106,692 in savings to be recognized. Principal payments on the bonds are due annually in July, while interest is due semiannually on January and July 15. Interest rates for the Series A of 2019 Bonds range from 3.0% to 4.0%, compared to the 3.0% to 3.75% for the remainder of the second Series 2011 Bonds. The final payment on the bonds is scheduled for July 15, 2025.

- Series 2020 Bond SPSPBA Bonds (SPSBA 2020) - In June 2020, the College, through SPSBA, accomplished a new $18,920,000 bond issue (Series of 2020) for the construction of the new Workforce Training Center-Phase Two. The final payment for the bonds is scheduled for March 1, 2039. Principal payments on the bonds are due annually in March, while interest is due semiannually in March and September on the 15th.

Principal and interest payment requirements for the bonded debt for the years subsequent to June 30, 2020 are summarized as follows:

Years Ending June 30	Principal	Interest	Total
2021	$ 4,920,000	$ 3,433,291	$ 8,353,291
2022	5,110,000	3,475,225	8,585,225
2023	5,360,000	3,228,225	8,588,225
2024	5,610,000	2,983,932	8,593,932
2025	5,865,000	2,731,819	8,596,819
2026-2030	26,960,000	10,516,744	37,476,744
2031-2035	30,215,000	5,192,444	35,407,444
2036-2039	8,250,000	698,387	8,948,387
	$ 92,290,000	$ 32,260,067	$ 124,550,067

Loans Payable

In 2016, the College entered into a replacement loan for microcomputer systems, laptops and workstations in the amount of $937,851. This loan was paid off during 2020.

In 2017, the College entered into a renovation loan to upgrade the College's electrical infrastructure in the amount of $3,000,000.

In 2017, the College entered into a renovation loan to upgrade the College's electrical infrastructure in the amount of $500,000.

In 2018, the College entered into a renovation loan to upgrade the College's HVAC infrastructure in the amount of $2,315,000.

In 2019, the College entered into a replacement loan for microcomputer systems, laptops and workstations in the amount of $1,620,726.

In 2020, the College entered into a replacement loan for microcomputer systems, laptops and workstations in the amount of $947,249.

All of the loans are collateralized by the equipment or the renovations.

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases

In 2017, the College entered into a capitalized lease obligation for desktops, monitors, laptops and tablets in the amount of $1,012,416. The net book value of the equipment is $404,983 as of June 30, 2020. The capitalized equipment leases are collateralized by the equipment.

Operating Leases

The College leases various other facilities throughout the County that are separate from the main campuses and involve commitments that extend into future years. The facilities are used for educational purposes only. The following schedule of future minimum payments lists the obligations for these leases under the column headed "Operating Leases."

Future minimum payments required under loans payable and lease obligations existing at June 30, 2020 are as follows:

Years Ending June 30	Loans	Capitalized Leases	Operating Leases	Total
2021	$ 1,903,602	$ 264,304	$ 347,698	$ 2,515,604
2022	1,513,610	-	139,250	1,652,860
2023	755,732	-	24,000	779,732
2024	243,979	-	24,000	267,979
2025	-	-	24,000	24,000
	4,416,923	264,304	558,948	5,240,175
Less interest	131,092	3,165	-	134,257
	$ 4,285,831	$ 261,139	$ 558,948	$ 5,105,918

NOTE 7 - CHANGE IN LONG-TERM LIABILITIES

Long-term liabilities transactions activity for the years ended June 30 are as follows:

2020	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term obligations	$ 87,213,653	$ 33,216,925	$ 16,331,020	$ 104,099,558	$ 7,552,091
Net pension liability	8,824,439	-	1,116,921	7,707,518	-
Net OPEB liability	223,000	22,000	-	245,000	-
Total long-term liabilities	$ 96,261,092	$ 33,238,925	$ 17,447,941	$ 112,052,076	

2019	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Long-term obligations	$ 91,921,184	$ 1,620,726	$ 6,328,257	$ 87,213,653	$ 6,497,520
Retirement incentive plan	873,802	-	873,802	-	-
Net pension liability	6,769,448	2,054,991	-	8,824,439	-
Net OPEB liability	181,000	42,000	-	223,000	-
Total long-term liabilities	$ 99,745,434	$ 3,717,717	$ 7,202,059	$ 96,261,092	

NOTE 8 - COMPENSATED ABSENCES

The composition of the compensated absences liability as of June 30 is as follows:

	2020	2019
Accrued vacation leave	$ 2,249,559	$ 2,105,687
Banked credits	840,424	951,790
	$ 3,089,983	$ 3,057,477

NOTE 9 - RETIREMENT INCENTIVE PLAN

The College offered a voluntary Retirement Incentive Plan (RIP) approved by the Board for a limited time from March 6, 2020 to May 22, 2020 to realize budgetary savings in fiscal year 2021 and subsequent years by reducing salary and benefit expenses. Through the RIP, the College offered retirement incentives to eligible employees. Forty-one employees elected to participate. An employee was eligible to receive retirement incentive benefits if he or she met each of the following conditions:

- The employee had completed at least 20 years of service with the College as of June 30, 2020;
- The employee was at least 60 years old as of June 30, 2020;
- The effective date of the employee's retirement was no later than May 29, 2020 (or August 1, 2020 for 10-month faculty);
- The employee completed, signed and returned a retirement election and general release form to the Human Resources office on or before the close of business on May 22, 2020; and
- The employee did not revoke the retirement election and general release form in writing within seven calendar days after signing it.

Employees who retired and met the eligibility criteria above received the following, in addition to their normal retirement benefits:

- A one-time cash severance payment equal to 20 weeks of the eligible employee's earnings generally paid in the pay cycle following the employee's final regular paycheck, but no later than August 1, 2020. A one-time supplemental severance payment equal to $2,500.
- Eligible employees may elect to remain enrolled in the College's group health, dental and vision insurance plans, provided that the employee pays the full monthly premiums for such coverage for up to five years and with certain restrictions.
- Eligible employees may enroll in the College's credit classes, on a space available basis, following retirement and without payment of applicable tuition. Eligible employees who enroll on a tuition-free basis will be required to pay appropriate fees associated with enrolled courses or programs. No liability existed for this benefit as of June 30, 2020. The College will expense the cost of this benefit in the period it is incurred.

Employees will not be eligible for the benefits if any of the following apply:

- The employee is a former employee of the College who retired or resigned effective as of a date prior to May 29, 2020;
- The employee's employment with the College is involuntarily terminated for cause, as determined in the sole discretion of the College; or
- The employee's employment with the College is terminated as a result of the employee's death or disability.

As of June 30, 2020 the College has a total liability of $605,890 relative to 2020 Plan agreements that will be paid in fiscal year 2021.

NOTE 10 - PENSIONS AND BENEFIT PLANS

Substantially all full-time employees of the College are covered under the Pennsylvania Public School Employees Retirement System (PSERS), the Pennsylvania State Employees Retirement System (SERS), the Teachers Insurance and Annuity Association-College Retirement and Equity Fund (TIAA-CREF) Retirement Plan, Fidelity Investment Retirement Plan (Fidelity), or Lincoln Financial Retirement Plan. The Lincoln Financial Retirement Plan was removed as a retirement plan option effective November 1, 2019. The College recognized annual pension expense equal to its contractually required contributions for the TIAA-CREF, Fidelity and Lincoln Financial Plans through June 30, 2020.

TIAA-CREFF, Fidelity ad Lincoln Financial

About 92.8% of eligible employees participate in TIAA-CREF, Fidelity or Lincoln Financial plans, which are cost-sharing multiple-employer defined contribution plans. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. Employer and employee contribution rates are established by collective bargaining agreements with the American Federation of Teachers (AFT) and the Service Employees International Union (SEIU). The agreements require contributions by active members and the College. Active members contribute at a rate of 5% of the qualifying compensation and the College contributes at the rate of 5% on the first $6,000 and 10% on the remaining qualifying compensation. SEIU members have an alternate option to contribute at a rate of 1% of the qualifying compensation instead of the 5% rate and the College would contribute at the rate of 1%. The contributions to the TIAA-CREF, Fidelity and Lincoln Financial plans for the years ended June 30, 2020, 2019 and 2018 were $4,123,327, $4,226,820 and $4,425,329, respectively, from the College and $2,192,471, $2,340,956 and $2,333,442, respectively, from employees. Employees are vested immediately in all of their contributions and the College's contributions.

SERS Plan Description

SERS is the administrator of a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth. SERS is also the administrator of a defined contribution plan that was established as part of Act 2017-5 effective on January 1, 2019 offering a hybrid defined benefit/defined contribution plan and also a straight defined contribution plan. The plans operate under separate trusts with the purpose of providing retirement benefits for employees of state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

Membership in SERS is mandatory for most state employees. Members and employees of the Pennsylvania General Assembly, certain elected or appointed officials in the executive branch, department heads and certain employees in the field of education are not required, but are given the option to participate.

Section 5507 of the State Employees' Retirement Code (SERC) (71 Pa. C.S. §5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the SERS board, provides for periodic active member contributions at statutory rates. SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. In a defined contribution plan, employees choose how their contributions will be invested for retirement. Employees and employers make mandatory contributions toward the employee's investment plan and the amount available for retirement is dependent on the accumulation of contributions and the performance of the investments selected by the employee.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

PSERS Plan Description

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth. PSERS also administers a defined contribution plan that was established as part of Act 2017-5 with an effective date of January 1, 2019. Employees and employers make mandatory contributions toward the employee's investment plan and the amount available for retirement is dependent on the accumulation of contributions and the performance of the investments selected by the employee.

Members eligible to participate in PSERS include fulltime public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The Public School Employees' Retirement Board is established by state law as an independent administrative board of the Commonwealth and PSERS exercise control and management of PSERS, including the investment of its assets. Changes in benefit and contribution provisions for the retirement plan must be made by legislation.

SERS Benefits Provided

SERS provides retirement, disability and death benefits. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the Pennsylvania General Assembly. Member retirement benefits are determined by taking years of credited service, multiplied by final average salary, multiplied by 2.5% or 2.0%, depending on the membership class, multiplied by years of service multiplier. According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Members are eligible for monthly retirement benefits upon the membership class information noted below. Membership Class A-3 (Class A-3) includes all eligible employees hired after December 31, 2010, except members of the judiciary. Certain groups have effective dates after December 31, 2010 that are tied to the expiration of collective bargaining agreements. Membership Class A-4 (Class A-4) is the same as Class A-3 except that this class is for members who elect to pay a higher member contribution amount and receive a higher benefit. Membership Class AA includes all employees hired after June 30, 2001 but prior to January 1, 2011, except State police officers, members of the judiciary and legislators, and employees hired before July 1, 2001, who elected Class AA by December 31, 2001. To qualify for normal retirement, Class A-3 and Class A-4 members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits for Class AA and Class A-4 are equal to 2.5% of the high three-year final average salary (FAS) of the member multiplied by the number of years and fractions of credited service. To qualify for normal retirement, Class AA and Class A members must work until age 60 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits for Class A and Class A-3 are equal to 2% of the high three-year FAS of the member multiplied by the years and fractions of credited service. Members who have 41 or more years of combined Class A-3, A-4, A and AA service are entitled to a supplemental benefit ranging from 2% of the applicable single life annuity for members with 41 years of service to 10% of the applicable single life annuity for members with 45 or more years of service. The benefit for a member who works past age 70 is at least equal to a benefit that is the actuarial equivalent of the prior year's benefit. All Class A-3 and A-4 members have a vested entitlement after 10 years of credited service. All other classes are vested after five years of credited service.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

Class A-5/Hybrid, Class A-6/Hybrid and Class DC-Only are the classes that participate in the defined contribution plan. Retirement benefits for the defined contribution plan consist of the defined benefit portion of the hybrid classes and the accumulation of contributions and the performance of the investments selected by the employee for the defined contribution portion. Participants in the defined contribution plan are vested after three years of work. Employees leaving employment prior to three years are entitled to receive the amount of their contributions to the plan adjusted by the investment gains and losses, however those employees are not entitled to any employer contributions.

The disability benefit is equal to the benefit calculated as of normal retirement age, based on years of credited service at disability, if the result is greater than or equal to 33 1/3% of FAS at time of disability. If the benefit so calculated is less than 33 1/3% of FAS, the disability benefit is equal to the smaller of:

a. The benefit calculated as of normal retirement age based on service projected to retirement date; or

b. 33 1/3% of FAS at time of disability.

For service-connected disabilities, the disability benefit payable will be increased, as needed, so that the sum of the plan benefit and the benefits paid or payable under the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Social Security Act equals 70% of FAS.

A member is eligible for death benefits prior to retirement if the member is under the age of 60 and has five years of credited service for those in Class A and AA and under the age of 65 and has 10 years of credited service for those in Class A-3 and A-4 or has reached the age of 60 for members in Class A and AA (or age 65 for members in Class A-3 and A-4) with three years of credited state service. A member who elects the maximum single life annuity is entitled to a refund of the unpaid balance of the accumulated member contributions and interest at the time of retirement. A member may elect one of several optional reduced pensions in lieu of the maximum single life annuity to provide additional death benefit protection. The optional forms of benefit are actuarially equivalent to the maximum single life annuity benefit using 4% interest per annum, compounded annually, and several actuarial equivalence factors.

PSERS Benefits Provided

PSERS provides retirement, disability and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (ACT 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon the membership class, of the member's final average salary (as defined by Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

Class T-G (hybrid), Class T-H (hybrid) and Class DC are the classes that participate in the defined contribution plan. Retirement benefits for the defined contribution plan consist of the defined benefit portion of the hybrid classes and the accumulation of contributions and the performance of the investments selected by the employee for the defined contribution portion. Participants Class T-G and Class T-H in the defined contribution plan vest in the defined benefit portion after ten years of service or are 67 with at least three years of service and vest in the employer contribution of the defined contribution portion by contributing to the defined contribution plan in three fiscal years. Employees are always 100% vested in their contributions to the defined contribution portion of the plan. Employees leaving employment prior to vesting for the employer contributions are entitled to receive the amount of their contributions to the plan adjusted by the investment gains and losses.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon the membership class of the member's final average salary (as defined in the Code) 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. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

SERS Member Contributions

Regular SERS member contributions for Class A-3 and Class AA are equal to 6.25% of total compensation, for Class A-4 contributions are equal to 9.3% of total compensation, and Class A contributions are equal to 5% of total compensation.

Any SERS member who elects the Social Security Integration Credit pays 5% of any salary in excess of the amount of salary covered by Social Security during the year for which contributions are being made. A member electing to end additional contributions is ineligible to make future contributions or accrue future benefits.

For defined contribution plans, SERS member contributions for Class A-5 Hybrid are equal to 8.25% (5.0% for defined benefit and 3.25% for defined contribution) of total compensation, for Class A-6 Hybrid contributions are equal to 7.5% (4.0% for defined benefit and 3.50% for defined contribution) of total compensation, for Defined Contribution Only contributions are equal to 7.5%

PSERS Member Contributions

Active members who joined PSERS prior to July 22, 1983 contribute at 5.25% (Membership Class T-C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined PSERS on or after July 22, 1983 and who were active or inactive as of July 1, 2001 contribute at 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined PSERS after June 30, 2001 and before July 1, 2011 contribute at 7.5% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined PSERS after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011 who elect Class T-F membership contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

For defined contribution plans, member contributions for Class T-G (hybrid) are equal to 8.25% (5.50% for defined benefit and 2.75% for defined contribution) of total compensation, for Class T-H (hybrid) contributions are equal to 7.5% (4.5% for defined benefit and 3.00% for defined contribution) of total compensation, for Class DC contributions are equal to 7.5% of total compensation.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

SERS Employer Contributions

The employers contractually required defined benefit contribution rates for SERS for fiscal years ended December 31, 2019 and 2018 were as follows:

Class/Description	Category Description	2019 Employer Contribution Rate	2018 Employer Contribution Rate
A3/A4 Effective 1/1/2011	All others with age 65 retirement	24.92%	23.94%
A	All others with a retirement age of 60	28.84%	27.71%
AA	All others with a retirement age of 60	36.04%	34.63%

The employers contractually required defined contribution for SERS for fiscal years ended December 31, 2019 and 2018 were as follows:

Class/Description	Category Description	2019 Employer Contribution Rate	2018 Employer Contribution Rate
A-5 Hybrid (Total/DB/DC)	All nonexempt groups who default/remain in A-5 with a retirement age of 67	19.18%/16.93%2.25%	18.42%/16.17%/2.25%
A-6 Hybrid (Total/DB/DC)	All nonexempt groups who elect into A-6 with a retirement age of 67	19.18%/17.18%2.00%	18.42%/16.42%/2.00%
Defined Contribution Only (Total/DB/DC)	All nonexempt groups who elect DC-Only plan	19.12%/15.62%/3.50%	18.39%/14.89%/3.50%

The percentages above were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The College's contributions to SERS for the years ended June 30, 2020, 2019 and 2018 were \$382,924, \$346,131 and \$279,453, respectively, equal to the required contractual contributions.

PSERS Employer Contributions

The employer's contractually required contribution rate for PSERS was 33.45% and 32.6% of covered payroll for fiscal years ended June 30, 2020 and 2019, respectively. This amount was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. In accordance with section 8327 of the PSERS Retirement Code, the Commonwealth is required to contribute 50% of the above-stated contribution rate directly to PSERS on behalf of the employer.

The employers contractually required contributions for the defined contribution plan for PSERS for fiscal years ended December 31, 2019 and 2018 were as follows:

Class/Description	2019 Employer Contribution Rate	2018 Employer Contribution Rate
T-G (Hybrid)	2.25%	-
T-H (Hybrid)	2.00%	-
DC	2.00%	-

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

The College's contributions to PSERS for the years ended June 30, 2020, 2019 and 2018 were $510,872, $516,282 and $458,639, respectively, equal to the required contractual contributions.

Combined Net Pension Liability and Proportionate Share

At June 30, the College reported a liability for its proportionate share of the net pension liability of SERS and PSERS. The amount recognized by the College in the accompanying statements of net position as its proportionate share was as follows:

Plan	Measurement Date	Net Pension Liability 2020	Net Pension Liability 2019	Proportionate Share 2020	Proportionate Share 2019
SERS	December 31	$ 2,327,518	$ 3,687,439	0.01280%	0.01770%
PSERS	June 30	5,380,000	5,137,000	0.01150%	0.01070%
Net Pension Liability		$ 7,707,518	$ 8,824,439		

SERS Proportionate Share

The net pension liability relative to SERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of December 31, 2018 to December 31, 2019. The employer's portion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At December 31, 2019, the employer's proportion share of the net pension liability was 0.01280%, which was a decrease of 0.00490% from the proportion measured as of December 31, 2018. These amounts were recognized by the College in its June 30, 2020 and 2019 statements of net position.

PSERS Proportionate Share

At June 30, 2020 and 2019, the College reported a liability for its proportionate share of the net pension liability that reflected a decrease for Commonwealth pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are in the table above.

The net pension liability relative to PSERS was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2018 to June 30, 2019. The College's portion of the net pension liability was calculated utilizing the College's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of the measurement date of June 30, 2019, the College's proportionate share of the net pension liability was 0.01150%, which was an increase of 0.00080% from the proportion measured as of June 30, 2018. The College's proportionate share of the net pension liability was $5,380,000 and $5,137,000 at June 30, 2020 and 2019, respectively. These amounts were recognized by the College in its June 30, 2020 and 2019 statements of net position.

The Commonwealth is required to contribute 50% of the College's contribution directly to PSERS on behalf of the College. The total of the collective net pension liability relative to PSERS that is associated with the College as of the respective measurement date of June 30, 2020 and 2019 is as follows:

	2020	2019
College	$ 5,380,000	$ 5,137,000
Commonwealth	5,380,000	5,137,000
	$ 10,760,000	$ 10,274,000

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

Combined Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2020 and 2019, the College recognized pension expense of $1,464,564 and $1,597,540, respectively. At June 30, 2020 and 2019, employer contributions payable was $47,128 and $55,065, respectively, payable for PSERS.

At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	$ 193,764	$ 59,023	$ 119,956	$ 96,335
Changes in assumptions	-	140,690	-	194,242
Net differences between projected and actual investment earnings	180,996	-	-	383,766
Changes in proportions	721,693	1,622,165	44,726	2,004,583
Difference between employer contributions and proportionate share of total contributions	37,681	84,626	53,133	4,413
Contributions subsequent to the measurement date	-	703,949	-	696,763
	$ 1,134,134	$ 2,610,453	$ 217,815	$ 3,380,102

The $703,949 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

SERS Deferred Outflows of Resources and Deferred Inflows of Resources

The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over a 5.3-year closed period, which reflects the weighted average remaining service life of all SERS members, beginning the year in which the deferred amount occurs (current year). The components of deferred outflow of resources and deferred inflows of resources were amortized into pension expense over a 5.2-year closed period in the prior period. The annual difference between the projected and actual earnings on SERS investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

PSERS Deferred Outflows of Resources and Deferred Inflows of Resources

The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over five years, which is the average expected remaining service lives of active and inactive members. The components of deferred outflow of resources and deferred inflows of resources were amortized into pension expense over five years in the prior period. The annual difference between the projected and actual earnings on PSERS investments is amortized over a five-year period.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

Combined Future Period Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts of deferred outflows of resources and deferred inflows of resources related to the above items that will be recognized in pension expense in future periods as of June 30 are as follows:

June 30, 2020

	SERS		PSERS	
Fiscal Year	**Deferred Inflows**	**Deferred Outflows**	**Deferred Inflows**	**Deferred Outflows**
2021	$ 335,599	$ 392,948	-	$ 519,000
2022	321,640	321,430	-	356,000
2023	259,850	268,224	-	40,000
2024	253,690	74,491	-	9,000
2025	50,353	10,409	-	-

June 30, 2019

	SERS		PSERS	
Fiscal Year	**Deferred Inflows**	**Deferred Outflows**	**Deferred Inflows**	**Deferred Outflows**
2020	$ 150,884	$ 546,093	-	$ 507,000
2021	110,790	409,707	-	454,000
2022	92,811	325,936	-	299,000
2023	8,561	269,971	$ 20,000	-
2024	2,401	40,264	-	-

SERS Actuarial Assumptions

The total pension liability as of December 31, 2019 was determined by rolling forward the SERS's total pension liability as of the December 31, 2018 actuarial valuation to the December 31, 2019 valuation using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age for 2019 and 2018.
- Investment return - 7.125% and 7.25% net of expenses for 2019 and 2018, respectively, including inflation of 2.6% for 2019 and 2018.
- Salary increases - Average of 5.60%, with range of 3.70% to 8.90%, including inflation for 2019 and 2018.
- Mortality rates were 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 for 2019 and 2018.
- Amortization method - Used straight-line amortization of investments over a five-year period, and amortized assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits for 2019 and 2018.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

- Asset valuation method - Fair market value for 2019 and 2018.

- Cost-of-Living Adjustments (COLA) - Provided ad hoc at the discretion of the General Assembly, none were provided during 2019 and 2018.

The actuarial assumptions used in the December 31, 2019 and 2018 valuation were based on the experience study that was performed for the five-year period ended December 31, 2015. The recommended assumption changes based on this experience study were adopted by the SERS Board at its April 2017 Board meeting. The SERS Board approved the recommendations of the actuary, and the new assumptions were first used in the December 31, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, are summarized in the following table:

	2020		2019	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Alternate investments	16%	7.25%	16%	7.25%
Global public equity	48%	5.15%	48%	5.15%
Real assets	12%	5.26%	12%	5.26%
Diversifying assets	10%	4.44%	10%	4.44%
Fixed income	11%	1.26%	11%	1.26%
Liquidity reserve	3%	-	3%	-
	100%		100%	

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by rolling forward the PSERS's total pension liability as of the June 30, 2018 actuarial valuation to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level percentage of pay for 2019 and 2018.

- Investment return - 7.25% includes inflation at 2.75% for 2019 and 2018.

- Salary increases – For 2019 and 2018, effective average of 5.0%, which reflects an allowance for inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

- Mortality - For 2019 and 2018, mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

- Amortization method - Level dollar, open for 2019 and 2018.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

- Asset valuation method - 10-year smoothed market for 2019 and 2018.

- COLA - provided from the annuity reserve account, none were provided during 2018 and 2018

The actuarial assumptions used in the June 30, 2015 valuation were based on the experience study that was performed for the five-year period ended June 30, 2015. The recommended assumption changes based on this experience study were adopted by the PSERS Board at its June 10, 2016 Board meeting, and were effective beginning with the June 30, 2016 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation.

The pensions plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS Board. Plan assets are managed with a long-term objective of achieving and maintain a fully funded status for the benefits provided through the pension.

	2020		2019	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Public markets global equity	20.0%	5.6%	20.0%	5.2%
Private real estate	10.0%	4.1%	10.0%	4.2%
Global fixed income	36.0%	1.9%	36.0%	2.2%
Cash	3.0%	0.3%	3.0%	0.4%
Absolute return	10.0%	3.4%	10.0%	3.5%
Risk parity	10.0%	4.1%	10.0%	3.9%
MLPs/Infrastructure	8.0%	5.5%	8.0%	5.2%
Alternative investments	15.0%	7.4%	15.0%	6.7%
Commodities	8.0%	2.7%	8.0%	3.2%
Financing (LIBOR)	(20.0%)	0.7%	(20.0%)	0.9%
	100.0%		100.0%	

The above was the PSERS Board's adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2019 and June 30, 2018.

Combined Discount Rate

The discount rate used to measure the total pension liability for SERS was 7.125% and 7.25% in 2020 and 2019, respectively, and PSERS was 7.25% for 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each member and that employer contributions will be made based on rates determined by the actuary. Based on those assumptions, fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 - PENSIONS AND BENEFIT PLANS (Continued)

Combined Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability at June 30, 2020 and 2019, calculated using the discount rate of 7.125% and 7.25% for SERS and PSERS, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (SERS 6.125%/PSERS 6.25%) or 1% percentage point higher (SERS 8.125%/ PSERS 8.25%) than the current rate:

	1% Decrease SERS 6.125%/PSERS 6.25%	Current Discount Rate SERS 7.125%/PSERS 7.25%	1% Increase SERS 8.125%/PSERS 8.25%
2020 SERS College's proportionate share of the net pension liability	$ 2,957,493	$ 2,327,518	$ 1,788,185
2020 PSERS College's proportionate share of the net pension liability	6,701,000	5,380,000	4,261,000
2019 SERS College's proportionate share of the net pension liability	4,527,874	3,687,439	2,967,232
2019 PSERS College's proportionate share of the net pension liability	6,367,000	5,137,000	4,096,000

SERS Pension Plan Fiduciary Net Position

Detailed information about SERS's fiduciary net positon is available in SERS Comprehensive Annual Financial Report which can be found on the System's website at www.sers.pa.gov

PSERS Pension Plan Fiduciary Net Position

Detailed information about PSERS's fiduciary net positon is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

PSERS Benefits Provided

PSERS provides Health Insurance Premium Assistance, which is a governmental cost-sharing, multiple-employer OPEB for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS's Health Options Program (HOP). As of June 30, 2020 and 2019, there were no assumed future benefit increases to participating eligible retirees.

Participants are eligible if they have retired from the College and satisfy the following criteria:

- Have 24-1/2 or more years of service, or
- Are a disability retiree, or

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

Members eligible to participate in PSERS include fulltime public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. The Public School Employees' Retirement Board is established by state law as an independent administrative board of the Commonwealth and exercises control and management of PSERS, including the investment of its assets. Changes in benefit and contribution provisions for the retirement plan must be made by legislation.

PSERS Employer Contributions

The employer's contractually required contribution rate for PSERS was 0.83% of covered payroll for fiscal years ended June 30, 2020 and 2019. This amount was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any unfunded accrued liability. The College's contribution to PSERS for the years ended June 30, 2020 and 2019 was $12,829 and $13,145, respectively, equal to the required contractual contributions.

Other Post-Employment Benefits Liability and Proportionate Share

At June 30, the College reported a liability for its proportionate share of the net OPEB liability. The amount recognized by the College as its proportionate share was as follows:

Plan	Measurement Date	Net OPEB Liability 2020	Net OPEB Liability 2019	Proportionate Share 2020	Proportionate Share 2019
PSERS	June 30	$ 245,000	$ 223,000	0.01150%	0.01070%

PSERS Proportionate Share

At June 30, 2020, the College reported a liability for its proportionate share of the OPEB liability. The amount recognized by the College as its proportionate share of the net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the College are in the table above.

The net OPEB liability relative to PSERS was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2018 to June 30, 2019. The College's portion of the net OPEB liability was calculated utilizing the College's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of the measurement date of June 30, 2019, the College's proportionate share of the net OPEB liability was 0.01150%, which was an increase of 0.00080% from the proportion measured as of June 30, 2018. The College's proportionate share of the net OPEB liability was $245,000 and $223,000 at June 30, 2020 and 2019, respectively. These amounts were recognized by the College in its June 30, 2020 and 2019 statement of net position.

The Commonwealth is required to contribute 50% of the College's contribution directly to PSERS on behalf of the College. The total of the collective OPEB liability relative to PSERS that is associated with the College as of the respective measurement date of June 30 is as follows:

	2020	2019
College	$ 245,000	$ 223,000
Commonwealth	245,000	223,000
	$ 490,000	$ 446,000

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2020 and 2019, the College recognized OPEB expense of $25,000 and $21,000, respectively. At June 30, 2020, employer contributions payable was $1,183 payable for PSERS. At June 30, 2019, employer contributions payable was $1,402 payable to PSERS. These amounts were for the legally required contributions to the plans.

At June 30, the College reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2020		2019	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	-	$ 1,000	-	$ 1,000
Changes in assumptions	$ 7,000	8,000	$ 8,000	4,000
Net differences between projected and actual investment earnings	-	-	-	-
Changes in proportions	-	62,000	-	57,000
Difference between employer contributions and proportionate share of total contributions	-	-	-	-
Contributions subsequent to the measurement date	-	12,829	-	13,145
	$ 7,000	$ 83,829	$ 8,000	$ 75,145

The $12,829 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources

The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expenses over seven years, which is the average expected remaining service lives of active and inactive members. The components of deferred outflow of resources and deferred inflows of resources were amortized into pension expense over five years in the prior period. The annual difference between the projected and actual earnings on PSERS investments is amortized over a five-year period.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Future Period Deferred Outflows of Resources and Deferred Inflows of Resources

The amounts of deferred outflows of resources and deferred inflows of resources related to the above items that will be recognized in OPEB expense in future periods as of June 30 are as follows:

	June 30, 2020 - PSERS	
Fiscal Year	Deferred Inflows	Deferred Outflows
2021	-	$ 13,000
2022	-	13,000
2023	-	13,000
2024	-	10,000
Thereafter	-	3,000

	June 30, 2019 - PSERS	
Fiscal Year	Deferred Inflows	Deferred Outflows
2020	-	$ 10,000
2021	-	10,000
2022	-	10,000
2023	-	10,000
Thereafter	-	6,000

Actuarial Assumptions

The total OPEB liability as of June 30, 2019 was determined by rolling forward the PSERS's total OPEB liability as of the June 30, 2018 actuarial valuation to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level percentage of pay for 2019 and 2018.
- Investment return - 2.79% and 2.98% for 2019 and 2018, respectively, using the Standard & Poors Municipal Bond Rate.
- Salary increases - effective average of 5.0%, which reflects an allowance for inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases for 2019 and 2018.
- Mortality - mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of MP-2015 Mortality Improvement Scale. For disabled participants the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale for 2019 and 2018.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

- Healthcare cost trend - was applied to retirees with less than $1,200 in premium assistance per year for 2019 and 2018.

- Participation rate - eligible retirees will elect to participate pre age 65 at 50%, and eligible retirees will elect to participate post age 65 at 70% for 2019 and 2018.

The following actuarial assumptions used to determine the contribution rate for 2019 and 2018:

- Cost method - the amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.

- Asset valuation method - market value.

- Participation rate - 63% of eligible retirees are assumed to elect premium assistance.

- Mortality rates and retirement ages - based on the RP-2000 Combined Healthy Annuitant Tables with age setback three for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age setback seven years for males and three years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age setback three years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

	2020		**2019**	
OPEB Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Cash	13.2%	0.2%	5.9%	0.03%
Fixed income	83.1%	1.0%	92.8%	1.2%
Global fixed income	3.7%	0.0%	1.3%	0.4%
	100.0%		100.0%	

The above was the PSERS Board's adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2019 and June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability for PSERS was 2.79% and 2.98% for 2020 and 2019, respectively. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 2.79% and 2.98%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2019 and 2018, respectively, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability at June 30, 2020 and 2019, calculated using the discount rate of 2.79%, and 2.98%, respectively as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.98% and 2.13%) or 1% percentage point higher (3.98% and 4.13%) than the current rate:

	1% Decrease 1.79% and 1.98%	Current Discount Rate 2.79% and 2.98%	1% Increase 3.79% and 3.98%
2020 PSERS College's proportionate share of the net OPEB liability	$ 279,000	$ 245,000	$ 216,000
2019 PSERS College's proportionate share of the net OPEB liability	254,000	223,000	198,000

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the net OPEB liability at June 30, 2020 and 2019, calculated using the discount rate of 2.79%, and 2.98%, respectively, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (1.98% and 2.13%) or 1% percentage point higher (3.98% and 4.13%) than the current rate:

	1% Decrease 1.79% and 1.98%	Current Discount Rate 2.79% and 2.98%	1% Increase 3.79% and 3.98%
2020 PSERS College's proportionate share of the net OPEB liability	$ 245,000	$ 245,000	$ 245,000
2019 PSERS College's proportionate share of the net OPEB liability	223,000	223,000	223,000

PSERS OPEB Plan Fiduciary Net Position

Detailed information about PSERS's fiduciary net position is available in PSERS Comprehensive Annual Financial Report, which can be found on the System's website at www.psers.state.pa.us

NOTE 12 - EDUCATIONAL FOUNDATION

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. It is governed by its own Board of Directors, whose members represent the broad-based corporate and community interests of the County. The Foundation's Board of Directors forms policy and maintains fiscal accountability over funds administered by the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is therefore discretely presented with the College's financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14.*

Based on the Foundation's audited financial statements as of June 30, 2020 and 2019, the Foundation's net assets totaled $30,904,712 and $18,244,206, respectively. Complete financial statements for the Foundation can be obtained from Mr. James R. McMahon, Executive Director of Foundation, 808 Ridge Avenue, Pittsburgh, Pennsylvania 15212-6097.

NOTE 13 - CONTINGENCIES

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; 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 in a higher education system. In addition, the College's liability associated with some claims may be negated or substantially reduced by the governmental or sovereign immunity afforded to it through the Tort Claims Act. The College has not reduced any of its insurance coverage from the prior year and settled claims have not significantly exceeded the College's coverage in any of the past three years. The College does not participate in any public entity risk pools and does not retain risk related to any aforementioned exposure, except for those amounts incurred relative to policy deductibles that are not significant.

Litigation

During the normal course of its operations, the College has been named as a defendant in certain legal actions and claims. The College's management is of the opinion that the disposition of these legal actions and claims will not have a material adverse effect on the financial condition, results of operations or cash flows of the College. The College purchases commercial insurance to cover certain potential losses. The amount of settlement has not exceeded insurance coverage in fiscal years ended June 30, 2020 and 2019.

Grants

The College received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the College. In the opinion of management, however any such disallowed claims will not have a material adverse effect on the overall financial position, results of operations or cash flows of the College at June 30, 2020 and 2019.

NOTE 13 - CONTINGENCIES (Continued)

Pollution Remediation

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the College is required to recognize and disclose estimated costs for cleanup of pollution that the College might have an obligation to remediate. The pollution remediation liability is estimated by reviewing the current status of known polluted sites and developing estimates of cleanup costs. These estimates are subject to change due to improvements in technology, inflation, changes in the scope of work and the pursuit of reimbursement from other responsible parties. Pursuant to this accounting pronouncement, the College does not have any known remediation obligations. Accordingly, no recorded liabilities exist as of June 30, 2020 and 2019.

NOTE 14 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

Expenses by natural classification for the years ended June 30 are as follows:

2020

	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	$ 35,866,857	$ 8,340,890	$ 2,996,100	$ 20,989	-	-	$ 47,224,836
Academic support	5,581,083	1,909,765	462,967	6,214	-	-	7,960,029
Student services and activities	8,663,056	3,169,838	779,277	-	-	-	12,612,171
Institutional support	13,647,964	7,338,215	7,755,157	454,426	-	-	29,195,762
Plant operations and maintenance	5,283,647	2,112,248	3,970,862	3,592,959	-	-	14,959,716
Financial aid	-	-	-	-	$ 10,363,943	-	10,363,943
Depreciation and amortization	-	-	-	-	-	$ 9,718,936	9,718,936
Auxiliary enterprises	-	-	111,870	-	-	-	111,870
	$ 69,042,607	$ 22,870,956	$ 16,076,233	$ 4,074,588	$ 10,363,943	$ 9,718,936	$ 132,147,263

2019

	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	$ 38,433,390	$ 8,549,492	$ 4,454,612	$ 3,010	-	-	$ 51,440,504
Academic support	6,135,388	2,036,790	627,220	8,092	-	-	8,807,490
Student services and activities	8,919,711	3,241,837	3,021,721	-	-	-	15,183,269
Institutional support	12,819,850	5,919,449	6,986,424	-	-	-	25,725,723
Plant operations and maintenance	5,638,194	2,194,864	4,699,984	4,040,633	-	-	16,573,675
Financial aid	-	-	-	-	$ 7,904,952	-	7,904,952
Depreciation and amortization	-	-	-	-	-	$ 8,965,261	8,965,261
Auxiliary enterprises	-	-	78,452	-	-	-	78,452
	$ 71,946,533	$ 21,942,432	$ 19,868,413	$ 4,051,735	$ 7,904,952	$ 8,965,261	$ 134,679,326

NOTE 15 - CORONAVIRUS PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On March 13, 2020, the president of the United States declared the outbreak of COVID-19 a national emergency. Pennsylvania Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of 8:00 p.m. On March 19, 2020 to slow the spread of COVID-19. On April 1, 2020, the governor issued a "stay-at-home" order for all Pennsylvania counties, which remains in effect for all counties in the state-declared "red phase" of reopening. Approximately 13 Pennsylvania counties, including Allegheny, where the College is located, transitioned to a "yellow phase" effective May 15, 2020, easing restrictions on business and social interaction. As of July 3, 2020, all Pennsylvania counties were in the "green phase," where teleworking is required when feasible, certain businesses could go back to work and social interaction is subject to gathering limits using a maximum occupancy calculator.

The pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide. CCAC responded immediately to strategically address the ever-changing environment. All on-campus instruction and activities ceased in March 2020 as part of the College's commitment to safeguarding the health and well-being of the students and the wider communities. As a result of its investment in IT infrastructure over the past several years, CCAC was strategically positioned to seamlessly switch to all online instruction in March 2020. This resulted in minimal loss of revenue for the Spring semester. CCAC also immediately implemented expense reduction strategies, including an early retirement program, endorsement of memorandums of understanding with its collective bargaining units to address staffing and workplace changes presented by COVID-19 and orders presented by the Centers for Disease Control (CDC), Pennsylvania Health Department and Allegheny County Department of Health. Additionally, CCAC cancelled all athletic events and onsite activities/events through the end of 2020 and eliminated all faculty, staff and student travel.

The College resumed limited in-person instruction in June 2020. It offered a full slate of courses for the Fall 2020 semester and has adapted its teaching model to incorporate several modalities to better serve students. Courses are offered in face-to-face settings, fully online and a hybrid model that includes some face-to-face and online course work. All face-to-face instruction is in accordance with CDC guidelines.

The College seeks to ensure that students have the information and resources they need to achieve their academic goals as it continues the transition to online or alternative forms of remote delivery of instruction. To that end, during fiscal 2020, the College benefited from $7,987,479 in direct emergency aid appropriations under the CARES Act signed into law on March 27, 2020, $3,993,740 of which is being directly awarded to students as emergency financial aid. The remaining portion of the CARES Act Higher Education Emergency Relief Fund awarded to the College is being applied to a number of eligible institutional costs, including transitioning to distance learning.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES

The following are the notes taken directly from the Foundation's audited financial statements:

1. Significant Accounting Policies

Organization

The Community College of Allegheny County Educational Foundation (Foundation) is a non-profit organization. The purpose of the Foundation is to meet benefactor's goals and to provide resources to the Community College of Allegheny County (College) for comprehensive training programs, scholarships, and capital improvements. The majority of contributions are received from donors located in Western Pennsylvania.

Reporting Entity

The Foundation is a component unit of the College, as it raises and holds economic resources for the direct benefit of the College.

Basis of Accounting

The Foundation's policy is to prepare its financial statements on the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. Unconditional promises to give are recorded as received either as without donor restrictions or with donor restrictions. When a donor restriction expires (that is, when a purpose or time restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Financial Statement Presentation

Assets, liabilities, and net assets of the Foundation are reported in two self-balancing net asset classes as follows:

Without Donor Restrictions - accounts for resources that are not subject to restrictions imposed by contributors or grantors, and which may be Board-designated.

With Donor Restrictions - accounts for assets whose use is limited by stipulations imposed by contributors or grantors until those stipulations are fulfilled and removed by the Foundation's actions or whose use of principal is to be held in perpetuity. Income earned on net assets held in perpetuity remains in net assets with donor restrictions. During 2020 and 2019, $2,871,461 and $1,808,051, respectively, of net assets were released from donor restrictions by incurring expenses that satisfied the restricted purpose.

Cash

Cash includes cash on hand and in-demand deposits. The Foundation maintains its checking account in two commercial banks. At times, the balance has exceeded the Federal Deposit Insurance Corporation amount.

Investments

The Foundation reports investments at fair value with gains and losses included in the statements of activities as further described in Note 2. Realized and unrealized gains or losses are determined based on specific identification by comparison of asset cost to net proceeds received at the time of disposal or changes in the difference between fair values and cost, respectively. Realized and unrealized gains or losses are reflected in the applicable net assets with and without donor restrictions column.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

Risks and Uncertainties

Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the statements of financial position.

Fixed Assets

Fixed assets are recorded at cost at the time of purchase or fair market value at the time of donation. Expenses for maintenance, repairs, and minor renewals are charged to expense as incurred. There is no minimum value assigned to determine depreciable assets. Depreciation of owned assets is computed on the straight-line method over the estimated useful lives as follows:

Furniture and fixtures	10 years
Computer equipment	5 years
Computer software	3 years
Other equipment	7 years

Deferred Revenue

The Foundation received revenue in advance for the sponsorship agreement with the Coca-Cola Bottling Group as further described in Note 8 and with Highmark as further described in Note 10. The deferred balance related to these agreements at June 30, 2020 was $99,999 and $250,000, respectively. Such amounts are recorded as deferred revenues and will be recognized in future years when earned.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements 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.

Concentrations

The Foundation is primarily operated for the benefit of the College within the Allegheny County area. Therefore, any change to the College's existence or economic and demographic influences on this area may impact the Foundation's existence.

Unconditional Promises to Give

The Foundation records the receivable for unconditional pledges and corresponding revenue, at estimated net realizable value when the commitment is made. Pledges receivable are recorded based on written commitments of the donors.

Contributed Services

Services contributed to the Foundation that create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of noncash assets are recorded at their estimated fair values in the period received.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

Revenue Recognition

Revenue from sponsorships and other earned revenue is recognized when the event occurs or at the time the services are performed, as performance obligations are satisfied upon these events. There have been no changes in the significant judgments related to the amount or timing of revenue from these transactions, and there are no impairment losses to recognize.

The Foundation recognizes grants and contributions when cash, securities or other assets, or an unconditional promise to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. There are no conditional promises to give as of June 30, 2020 or 2019.

Income Taxes

The Internal Revenue Service considers the Foundation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation. Further, the Foundation annually files a Form 990.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional and natural basis in the statement of activities.

Accordingly, personnel costs have been allocated among the programs and supporting services benefited based on the time spent on each activity.

Certain costs have been allocated among the program, management and general, and fundraising categories based on a comprehensive indirect cost allocation plan.

The Foundation reports expenses in the following functional classifications:

Program services - The costs of activities that directly fulfill the mission of the Foundation, which is to support the mission of the College by creating awareness, advocating on behalf of the College, raising, managing, and distributing funds.

Management and general - The costs of supporting services including oversight, business management, general recordkeeping, and budgeting.

Fundraising - The costs of conducting fundraising campaigns, conducting fundraising events, maintaining donor mailing lists, and other direct fundraising activities.

Liquidity and Availability

The Foundation manages its liquid resources by focusing on grants and contributions to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. The Foundation prepares very detailed budgets and has been very active in cutting costs to ensure the entity remains liquid.

The following reflects the Foundation's financial assets (cash, investments, and unconditional promises to give) expected to be available within one year to meet the cash needs for general expenditures. Financial assets that are Board-designated are excluded from the table below:

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

	2020	2019
Financial assets, at year-end	$ 29,602,024	$ 16,530,424
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(21,033,691)	(9,422,585)
Investments held in perpetuity	(5,509,223)	(4,548,101)
Financial assets available to meet cash needs for general Expenditures within one year	$ 3,059,110	$ 2,559,738

Adopted Accounting Standards

The provisions of the following Financial Accounting Standards Board (FASB) standards were adopted and incorporated into these financial statements:

FASB Accounting Standards Codification "*(Topic 606), Revenue from Contracts with Customers,*" as amended, provides guidance for revenue recognition related to contracts involving the transfer of promised goods or services to customers and the related disclosures. The implementation of these amendments was applied retrospectively to all periods presented, with no effect on net assets. Implementation resulted in financial statement disclosure modifications only.

ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash.*" The amendments require that the statement of cash flows explain the change during the period in the total cash and cash equivalents including the changes of those amounts generally described as restricted cash or restricted cash equivalents. We have adopted these provisions in the accompanying financial statements. Implementation of these amendments had no impact on the financial statements.

ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958).*" The amendments provide guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. Implementation of these amendments had no impact on the financial statements.

Pending Accounting Standards Updates

FASB has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2016-02, "Leases (Topic 842)," is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2018-13, "Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)," is effective for the financial statements for the year beginning after December 15, 2019. The amendments remove and modify certain fair value hierarchy leveling disclosures.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

2. Investments

Investment income (loss) for the years ended June 30, 2020 and 2019 are summarized as follows:

	2020	2019
Interest and dividend income, net	$ 283,843	$ 235,213
Net realized and unrealized gain (loss)	49,361	228,152
	$ 333,204	$ 463,365

Fair Value Hierarchy

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for Level 2 investments are determined by reference to quoted prices for similar investments in active markets. Level 3 investments have significant unobservable inputs, as they trade infrequently or not at all. Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Foundation's own assumptions in determining the fair value of financial instruments.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2020 are as follows:

		Far Value Measurement at Reporting Date		
	6/30/2020	Level 1	Level 2	Level 3
Equities:				
Domestic stocks	$ 473,876	$ 473,876	-	-
Foreign stocks	561,492	561,492	-	-
Mutual funds:				
Fixed income	3,395,658	3,395,658	-	-
Real Estate	1,684,936	1,684,936	-	-
ETF funds	5,894,874	5,894,874	-	-
Alternative investments	-	-	-	-
Money market funds	281,910	281,910	-	-
	$ 12,292,746	$ 12,292,746	-	-

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

Fair values of assets measured on a recurring basis at June 30, 2019 are as follows:

		Far Value Measurement at Reporting Date		
	6/30/2019	**Level 1**	**Level 2**	**Level 3**
Equities:				
Domestic stocks	$ 413,835	$ 413,835	-	-
Foreign stocks	641,753	641,753	-	-
Mutual funds:				
Fixed income	2,151,125	2,151,125	-	-
Real Estate	820,882	820,882	-	-
ETF funds	5,254,231	5,254,231	-	-
Alternative investments	468,857	468,857	-	-
Money market funds	1,564,176	1,564,176	-	-
	$ 11,314,859	$ 11,314,859	-	-

3. Contributed Services

Under an agreement with the College, the Foundation is provided office space and administrative assistance at no cost. The Foundation considers these amounts immaterial to record in its financial statements. In addition, the Foundation received other contributed services, consisting mostly of payroll and payroll related expenses, in the amount of $348,744 and $313,702 during 2020 and 2019, respectively. The Foundation's policy is to record these contributed services as support and expense in its financial statements.

4. Net Assets

Net assets with donor restrictions for purpose at June 30, 2020 of $16,626,526 and $4,407,165, respectively, are available for Workforce Development Fund and educational and related purposes as designated by the donor. Net assets with donor restrictions for purpose at June 30, 2019 of $5,421,450 and $4,001,135, respectively, are available for Workforce Development Fund and educational and related purposes as designated by the donor. These funds are to be used specifically for projects of the College and for scholarships of students that attend the College.

Net assets with donor restrictions at June 30, 2020 and 2019 of $5,509,223 and $4,548,101, respectively, are to be held in perpetuity as designated by the donor as currently understood by the Foundation. Interest and dividends from these assets are used for scholarships of students and other needs of the Foundation, as directed by the donor.

5. Fixed Assets

Fixed asset balances at June 30, 2020 and 2019 consisted of the following:

	June 30, 2019	**Additions**	**Disposals**	**June 30, 2020**
Equipment	$ 25,531	-	-	$ 25,531
Accumulated depreciation	(25,531)	-	-	(25,531)
Net fixed assets	-	-	-	-

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

	June 30, 2018	Additions	Disposals	June 30, 2019
Equipment	$ 25,531	-	-	$ 25,531
Accumulated depreciation	(25,531)	-	-	(25,531)
Net fixed assets	-	-	-	-

6. Promises to Give

Pledges are recorded in the accompanying financial statements at net present value using a discount factor of 1.75% and are expected to be received as follows:

	2020	2019
Receivable in less than one year	$ 3,950,904	$ 885,910
Receivable in one to five years	7,264,939	2,675,490
Receivable in more than five years	500,000	750,000
	11,715,843	4,311,399
Less - Amount representing discount	(468,267)	(358,752)
Less - Allowance for uncollectible promises	(30,000)	(30,000)
	$ 11,217,576	$ 3,922,647

The allowance for uncollectible promises at June 30, 2020 and 2019 is determined by management after review of payment status of existing commitments.

Fair values of assets measured on a recurring basis as of June 30, 2020 and 2019 are as follows: Level 1 Pledges receivable - current $3,950,904 and $885,910, respectively, and Level 3 Pledges receivable - noncurrent $7,266,672 and $3,036,737, respectively.

Fair values for Level 1 financial instruments are determined by quoted prices in active markets for identical financial instruments. Pledges due within one year are considered to be Level 1 because of the short maturity of these instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Foundation's own assumptions in determining the fair value of financial instruments.

Since the Foundation's noncurrent pledges receivable have no significant observable inputs, they are classified as Level 3.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) include pledges expected to be received in more than one year:

	2020	2019
Balance as of July 1	$ 3,036,737	$ 896,293
Additions of long-term pledges	7,543,085	3,513,348
Increases (decreases) due to change in scheduled payments:	637,754	(486,994)
Pledges receivable, which became due within one year	(3,950,904)	(885,910)
Balance as of June 30	$ 7,266,672	$ 3,036,737

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

7. Related Party Transactions

The Foundation pays the College for two employees' services and a portion of a third employee. For these three employees, the Foundation remits funds to the College as reimbursement of salaries, health and life insurance, payroll taxes, and other payroll expenses. The retirement plan of the College is available to these employees, although participation is not mandatory. Payroll and payroll related expenses remitted to the College totaled $184,047 and $184,779 for the years ended June 30, 2020 and 2019, respectively.

8. Commitments

During fiscal year 2015, the Foundation entered into a sponsorship agreement with the Coca-Cola Bottling Group (Coca-Cola) granting Coca-Cola the exclusive right to provide beverages for sale and distribution on campus, as well as, at athletic contests, student government activities, booster club activities, and all other special events conducted on the campus for an initial sponsorship fee of $200,000 and an additional annual fee of $30,000 during the term of the agreement. The term of the agreement is for the period beginning January 1, 2015 and ending December 31, 2024. In addition, Coca-Cola agrees to contribute $5,000 annually during the term of the agreement to the Legends in Leadership event, as well as the Golf Outing for a Gold Sponsorship at each event. During the term of this agreement, no competitive products are to be sampled, sold, served, or dispensed anywhere on the campus. The Foundation will recognize revenue from the sponsorship agreement equally over the life of the agreement.

The Foundation received the initial sponsorship fee of $200,000 in 2015. The fee will be earned equally over the 11-year term of the agreement. As such, $18,182 will be recognized each year as revenue, with the remaining balance reported as deferred revenue.

9. Endowment Disclosures

The Foundation's endowment was established for a variety of purposes, including for scholarships, facilities, or Board-designated operating purposes. Its endowment includes both donor-restricted endowment funds and without donor restricted funds designated by the Board of Directors (Board) to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund and investment income in excess of amounts designated for current operations and losses up to the extent of accumulated gains.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

Endowment net asset composition by type of fund at June 30, 2020, and changes in endowment net assets for the fiscal year ended June 30, 2020 are as follows:

	Board Designated	Held in Perpetuity	Total
Endowment Net Assets, Beginning of Year	$ 1,918,912	$ 4,548,101	$ 6,467,013
Investment return, net	136,678	180,417	317,095
Contributions	-	961,122	961,122
Transfers in	-	-	-
Other changes:			
Withdrawals	(155,805)	-	(155,805)
Transfers out	-	(180,417)	(180,417)
Miscellaneous expense	(20,819)	-	(20,819)
Endowment Net Assets, End of Year	$ 1,878,966	$ 5,509,223	$ 7,388,189

Funds held in perpetuity had net investment return of $180,417 during 2020, which is transferred as investment income (loss) to either without donor restrictions or with donor restrictions funds.

Endowment net asset composition by type of fund at June 30, 2019, and changes in endowment net assets for the fiscal year ended June 30, 2019 are as follows:

	Board-Designated	Held in Perpetuity	Total
Endowment Net Assets, Beginning of Year	$ 1,887,377	$ 4,467,486	$ 6,354,863
Investment return, net	202,182	246,526	448,708
Contributions	-	80,615	80,615
Other changes:			
Withdrawals	(149,611)	-	(149,611)
Transfers out	-	(246,526)	(246,526)
Miscellaneous expense	(21,036)	-	(21,036)
Endowment Net Assets, End of Year	$ 1,918,912	$ 4,548,101	$ 6,467,013

Funds held in perpetuity had net investment return of $246,526 during 2019, which is transferred as investment income (loss) to either without donor restrictions or with donor restrictions funds.

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. The Foundation has adopted policies and guidelines for endowment and restricted funds.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

To satisfy its long-term rate-of-return objectives, the Foundation relies on returns in excess of the rate of inflation. The Foundation targets a diversified portfolio of stocks, bonds, and cash equivalent investments to achieve its long-term return objectives within prudent risk constraints.

The Foundation has a policy of appropriating for distribution each year, up to 4% of the average market value of the endowment fund for the previous three fiscal years. The presumption is that over the course of multiple years, the average investment returns will meet the objective of providing on-going financial support to the Foundation.

10. Capital Campaign

During 2018, the Foundation launched the Campaign, Pioneering Pittsburgh's New Workforce, to improve the College's workforce development efforts. Campaign funds are being raised to construct a new 60,000-square-foot workforce training facility on the North Side campus, easily accessible to urban students. Secondly, the Campaign will raise funds to renovate campus facilities dedicated to workforce, including Chalfant Hall, which will be renovated to be a Center for Faculty Innovation and Online Campus. Finally, Campaign funds will support initiatives around faculty and student workforce training improvements.

One of the campaign gifts is a $5 million pledge from Highmark Health (Highmark). The Foundation and College entered into a sponsorship agreement with Highmark granting Highmark naming rights and other commitments. The term of the agreement is for the period beginning May 1, 2019 and ending April 30, 2039. During the term of this agreement, neither the College nor the Foundation shall grant naming rights to any person or entity for the same locations listed in the agreement.

The Foundation will recognize revenue from the sponsorship agreement equally over the life of the agreement (20-year term). As Highmark's pledge will be paid over a 10-year period at $500,000 per year, $250,000 will be recognized each year as revenue and $250,000 will recorded as deferred revenue in years 1-10. The Foundation will then recognize $250,000 of the deferred revenue as revenue for years 11-20 of the agreement.

11. COVID-19

In early 2020, an outbreak of a novel strain of coronavirus was identified, and infections have been found in a number of countries around the world, including the United States. The coronavirus and its associated impacts on supply chains, travel, employee productivity, and other economic activities has had, and may continue to have, a material effect on financial markets and economic activity. The extent of the negative impact of the coronavirus on the Foundation's operational and financial performance is currently uncertain and cannot be predicted and will depend on certain developments, including, among others, the duration and spread of the outbreak, its impact on the Foundation's employees, and vendors, and governmental, regulatory, and other responses to the coronavirus.

NOTE 16 - COMPONENT UNIT FINANCIAL STATEMENTS AND DISCLOSURES (Continued)

12. Expenses

Expenses by natural category for the years ended June 30, are as follows:

	2020	2019
Program services:		
Grant	$ 3,034,073	$ 1,713,279
Personnel	191,756	235,260
Other	-	-
Total program	3,225,829	1,948,539
Management and general:		
Personnel	192,448	156,423
Purchase service	68,963	68,963
Other	53,047	66,792
Total management and general	314,458	292,178
Fundraising		
Personnel	84,223	92,319
Special events	27,870	27,870
Other	8,460	11,428
Total fundraising	120,553	131,617
Total expenses	$ 3,660,840	$ 2,372,334

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information - Pension
Schedule of the College's Proportionate Share of the Net Pension Liability
Pennsylvania State Employees' Retirement System Pension Plan

	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.01280%	0.01770%	0.01373%	0.01222%	0.01096%	0.00936%	0.01207%
College's proportionate share of the net pension liability	$ 2,327,518	$ 3,687,439	$ 2,373,448	$ 2,353,456	$ 1,992,757	$ 1,389,994	$ 1,649,081
College's covered-employee payroll	979,311	1,226,373	918,336	800,441	748,662	584,094	425,448
College's proportionate share of the net pension liability as a percentage of its covered employee payroll	237.67%	300.68%	258.45%	294.02%	266.18%	237.97%	387.61%
Plan fiduciary net position as a percentage of the total pension liability	63.10%	56.40%	63.00%	57.80%	58.90%	64.80%	66.70%

Schedule of College SERS Contributions

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 382,294	$ 346,131	$ 279,453	$ 192,720	$ 165,126	$ 105,687	$ 92,510
Contributions in relation to the contractually required contribution	382,294	346,131	279,453	192,720	165,126	105,687	92,510
Contribution deficiency	-	-	-	-	-	-	-
College's covered-employee payroll	1,294,334	1,210,524	947,822	839,982	768,343	577,914	648,059
Contributions as a percentage of covered-employee payroll	29.53%	28.59%	29.48%	22.94%	21.49%	18.29%	14.27%

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
Required Supplementary Information
For the years ended June 30, 2020 and 2019

Schedule of the College's Proportionate Share of the Net Pension Liability Public School Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
College's proportion of the net pension liability	0.01150%	0.01070%	0.00890%	0.00730%	0.00680%	0.00670%	0.00710%
College's proportionate share of the net pension liability	$ 5,380,000	$ 5,137,000	$ 4,396,000	$ 3,618,000	$ 2,945,000	$ 2,652,000	$ 2,907,000
Commonwealth of Pennsylvania's proportionate share of the net pension liability	5,380,000	5,317,000	4,396,000	3,618,000	2,945,000	2,652,000	2,907,000
Total proportionate share of the net pension liability	$ 10,760,000	$ 10,274,000	$ 8,792,000	$ 7,236,000	$ 5,890,000	$ 5,304,000	$ 5,814,000
College's covered-employee payroll	$ 1,588,906	$ 1,447,554	$ 1,181,639	$ 950,000	$ 878,019	$ 858,059	$ 908,725
College's proportionate share of the net pension liability percentage of its covered-employee payroll	338.60%	367.31%	372.03%	380.80%	335.41%	309.07%	319.90%
Plan fiduciary net position as a percentage of total pension liability	55.66%	54.00%	51.48%	50.14%	54.36%	57.24%	54.05%

Schedule of College PSERS Contributions

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 510,872	$ 516,281	$ 458,639	$ 349,367	$ 251,307	$ 145,378	$ 155,021
Contributions in relation to the contractually required contribution	510,872	516,281	458,639	349,367	251,307	145,378	155,021
Contribution deficiency	-	-	-	-	-	-	-
College's covered-employee payroll	1,576,011	1,583,781	1,421,378	1,164,982	982,198	882,024	859,250
Contributions as a percentage of covered-employee payroll	32.42%	32.60%	32.26%	30.00%	25.59%	16.48%	18.04%

Notes to the Required Supplementary Information for the Year Ended June 30, 2020

Changes of benefit terms

There were no changes in benefit terms affecting SERS and PSERS plans for the plan years ended December 31, 2019 and June 30, 2019, respectively.

Changes of assumptions

There were no changes in assumptions or plan amendments affecting the SERS and PSERS plans for the plan years ended December 31, 2019 and June 30, 2019, respectively, with the following exception:

- The investment return was 7.125% and 7.25% for the SERS plan years ended December 31, 2019 and 2018, respectively.

Required Supplementary Information - OPEB

Schedule of the College's Proportionate Share of the Net OPEB Liability
Public School Employees' Retirement System

Total OPEB Liability

	2020	2019	2018
Service cost	$ 10,152	$ 21,569	$ 14,993
Interest cost	4,370	9,007	5,465
Expected return on assets	(245)	(514)	(299)
Current period difference between projected and actual experience	14	289	-
Change in assumptions	479	738	(1,406)
Difference between projected and actual investment earnings	18	64	48
Administrative expenses	128	350	199
Changes in proportion	7,562	12,547	5,000
Current recognition of prior year deferred outflows	579	73	-
Current recognition of prior year deferred outflows	(1,057)	(2,123)	-
Net change in total OPEB liability	22,000	42,000	24,000
Total OPEB liability - beginning	223,000	181,000	157,000
Total OPEB liability - ending	$ 245,000	$ 223,000	$ 181,000

COMMUNITY COLLEGE OF ALLEGHENY COUNTY
Required Supplementary Information
For the years ended June 30, 2020 and 2019

	2020	2019	2018
College's proportion of the net OPEB liability	0.01150%	0.01070%	0.00890%
College's proportionate share of the net OPEB liability	$ 245,000	$ 223,000	$ 181,000
Commonwealth of Pennsylvania's proportionate share of the net OPEB liability	245,000	223,000	181,000
Total proportionate share of the net OPEB liability	$ 490,000	$ 446,000	$ 362,000
College's covered-employee payroll	$ 1,588,906	$ 1,447,554	$ 1,181,639
College's proportionate share of the net OPEB liability percentage of its covered-employee payroll	15.42%	15.41%	15.32%
Plan fiduciary net position as a percentage of the total OPEB liability	5.56%	5.56%	5.73%

Schedule of College PSERS Contributions

	2020	2019	2018
Contractually required contribution	$ 12,829	13,145	11,993
Contributions in relation to the	12,829	13,145	11,993
College's covered-employee payroll	1,688,371	1,583,781	1,421,378
Contributions as a percentage of	0.76%	0.83%	0.84%

Notes to the Required Supplementary Information for the Year Ended June 30, 2020

GASB 75 was implemented beginning with the fiscal year ended June 30, 2018.

GASB 75 requires presentation of 10 years of data. As of June 30, 2020, only three years of fiscal year information was available. This schedule is being prepared prospectively until 10 years of data are presented.

Changes of benefit terms

There were no changes in benefit terms affecting PSERS plans for the plan year June 30, 2019.

Changes of assumptions

There were no changes in assumptions or plan amendments affecting PSERS plans for the plan year ended June 30, 2019 with the following exception:

- The investment return was 2.79% and 2.98% for the plan years June 30, 2019 and 2018, respectively, using the Standard & Poor's Municipal Bond Rate.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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May 4, 2021

Samuel A. Ramirez & Co., Inc.
New York, NY

Raymond James & Associates, Inc.
New York, NY

State Public School Building Authority
Wormleysburg, PA

U.S. Bank National Association
Pittsburgh, PA

Re: $27,995,000 College Revenue Bonds (Community College of Allegheny County Project), Series of 2021

We have served as bond counsel in connection with the issuance by the State Public School Building Authority (the "Authority"), a body corporate and politic created by and existing under the State Public School Building Authority Act, approved by the General Assembly of the Commonwealth on July 5, 1947, P.L. 1217, as amended (the "Act"), in connection with the issuance and sale of its College Revenue Bonds (Community College of Allegheny County Project), Series of 2021, in the aggregate principal amount of $27,995,000 (the "Bonds"), being issued under and secured by a Trust Indenture, dated as of the date hereof (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), Pittsburgh, Pennsylvania.

The Bonds are being issued for the purpose of providing funds for: (1) refunding the Authority's College Revenue Bonds (Community College of Allegheny County Project), Series of 2012, issued for the benefit of the Community College of Allegheny County (the "College"); and (2) paying related costs and expenses, including the costs of issuance of the Bonds and the related General Obligation Note, Series of 2020 (the "Note") of the College.

The proceeds of the Bonds are being loaned by the Authority to the College pursuant to a Loan Agreement, dated as of date hereof, between the Authority and the College (the "Loan Agreement"), pursuant to which the College is delivering to the Authority the Note under which the College is required to make payments in the amounts and on the dates required for the payment of principal of and interest on the Bonds. Under the Indenture, the Authority has pledged and assigned to the Trustee as security for the payment of the Bonds all revenues of the Authority derived from, and all right, title, and interest of the Authority in and to, the Loan Agreement and the Note (except certain rights to indemnification and to the payment of the Authority's fees and expenses thereunder).

As the basis for this opinion we have examined such matters of law and such documents, certifications, instruments, and records as we deemed necessary to enable us to render the opinion set forth below, including the Act, applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or made applicable with respect thereto (collectively, the "Code"), and original counterparts or certified copies of the resolution of the Authority adopted on February 18, 2021 (the "Resolution") authorizing issuance of the Bonds, the Indenture, the Loan Agreement, the certificates of certain Authority officials having responsibility for issuing the Bonds given pursuant to the Code, certifications by the College as to certain matters under the Code, opinions as to various matters delivered by the Authority's counsel and counsel to the College, and the other documents, certifications, instruments, and records listed in a closing document index with respect to the Bonds. We have also examined the fully executed and authenticated Bonds or a true copy thereof. In rendering this opinion, we have relied on the opinions referred to above as to all matters of fact and law set forth therein, and on the genuineness, truthfulness, and completeness of all documentation examined as referred to above.

Based on the foregoing and the other qualifications and limitations set forth herein, we are of the opinion that:

1. The Authority is validly existing under the Act, and at all relevant times had and has full power and authority thereunder to adopt the Resolution, to execute and deliver the Indenture and the Loan Agreement, to perform its obligations thereunder, and to issue the Bonds.

2. All consents or approvals of any governmental authority which are required for the lawful issuance of the Bonds have been obtained.

3. The Indenture and the Loan Agreement have been duly authorized, executed, and delivered by the Authority, and the obligations of the Authority thereunder are valid and binding and enforceable in accordance with the respective terms thereof, except as enforcement may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights ("Creditors' Rights Limitations").

4. The Bonds have been duly authorized, executed, and issued by the Authority, and are valid and binding special, limited obligations of the Authority, payable solely from the sources described in the Indenture and the Loan Agreement, and enforceable in accordance with their terms, except as enforcement may be affected by Creditors' Rights Limitations, the Bonds are entitled to the benefit and security of the Indenture and the Loan Agreement to the extent provided therein, and all conditions precedent to the issuance of the Bonds set forth in the Indenture have been fulfilled.

5. Under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax in the Commonwealth of Pennsylvania; however, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Commonwealth of Pennsylvania taxes and local taxes within the Commonwealth of Pennsylvania.

6. Under existing statutes, regulations, rulings, and court decisions, interest on the Bonds will not be includible in the gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority and the College, respectively, with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering this opinion, we have assumed compliance by the Authority and the College, respectively, with the covenants and representations contained in the Tax Certificate, dated as of the date hereof, between the Authority and the College, the Indenture and the Loan Agreement, respectively, relating to actions to be taken by the Authority and the College, respectively, after the issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use of and investment of proceeds of the Bonds and rebate to the United States Department of Treasury of specified arbitrage earnings, if required. Failure to comply with such covenants could result in the interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

We call your attention to the fact that the Bonds are special, limited obligations of the Authority, and neither the faith nor credit of the Commonwealth of Pennsylvania or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Authority has no taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is rendered on the basis of federal law and the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in the law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention.

Very truly yours,

METTE, EVANS & WOODSIDE

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APPENDIX C

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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