Audited Financial Statements

June 30, 2024

HACC

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CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Harrisburg Area Community College
Harrisburg, Pennsylvania

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Harrisburg Area Community College (the College), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Harrisburg Area Community College as of June 30, 2024 and 2023, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harrisburg Area Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of Harrisburg Area Community College Foundation were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management of 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Harrisburg Area Community College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Harrisburg Area Community College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Harrisburg Area Community College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, and the schedules related to pension and OPEB on pages 60 - 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses by functional classification is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenses by functional classification is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY **GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
November 19, 2024

INTRODUCTION

Management's Discussion and Analysis (MD&A) of Harrisburg Area Community College's (HACC) financial statements provide an overview of the College's financial performance during the fiscal year ended June 30, 2024, with selected comparative information for the years ended June 30, 2023 and June 30, 2022. The purpose of the MD&A is to assist readers with understanding the accompanying financial statements by providing an objective and understandable analysis of HACC's financial activities based on current known facts, decisions, and conditions. HACC management has prepared this analysis and is responsible for the completeness and fairness of the information contained within. This MD&A should be read in conjunction with the financial statements and notes.

The College has prepared its financial statements in accordance with Government Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require that the financial statements be presented to focus on the College as a whole. Three financial statements are presented: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows. This MD&A includes comments on each statement and focuses on the activities of the College (Primary Institution) and the Foundation (Component Unit) as a whole.

As noted in the Independent Auditor's Report, the Foundation's financial statements have not been audited in accordance with Government Auditing Standards; however, they have been audited in accordance with generally accepted auditing standards. The Foundation is not required to have an audit in accordance with Government Auditing Standards due to the fact it does not receive any grants that require the audit to be in accordance with Government Auditing Standards. The College does receive grants that require the audit to be in accordance with Government Auditing Standards, which has been performed accordingly.

Additionally, the College has implemented Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". Pursuant to the criteria set forth in GASB 14, it was determined that the HACC Foundation, whose sole purpose is to serve the institution by providing resources for scholarships and other college projects, should be treated as a blended unit of the College due in part to the governance structure of the Foundation. The Foundation's financial statements for June 30, 2024 are combined in the financial statements section of the report and are included in the MD&A discussions. Separately issued financial statements are available for the HACC Foundation by contacting Kathy M. Brickner, Interim Vice President of Finance, Harrisburg Area Community College, One HACC Drive, Harrisburg, PA 17110-2999.

FINANCIAL HIGHLIGHTS

HACC's financial position continues to remain strong as of June 30, 2024. On June 30, 2024 HACC's assets and deferred outflows of resources of $ 361.4 million exceeded its liabilities and deferred inflows of resources of $ 142.7 million by $ 218.7 million, an increase compared to the prior year of $ 211.7 million. On June 30, 2023, assets and deferred outflows of resources of $ 363.7 million exceeded liabilities and deferred inflows of resources of $ 152.0 million by $ 211.7 million, an increase over the prior year of $ 100,000.

The "Net Position", which represents the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources, is divided into two major categories. The first category, net investment in capital assets, shows the College's equity in property, plant, and equipment that it owns. The fourth category, unrestricted net position, is available to use for any lawful purpose of the College. The following table and graph summarize the College's statement of net position by category for the fiscal years ended June 30, 2024, 2023 and 2022 (Restated).

Net Position as of June 30
(IN MILLIONS)

Net Position	2024	2023	Increase (Decrease) 2023-2024	2022 Restated	Increase (Decrease) 2022 Restated-2023
Net Investment in Capital Assets	93.1	90.3	2.8	87.4	2.9
Restricted - Expendable	16.2	15.2	1.0	12.7	2.5
Restricted - Unexpendable	25.3	22.5	2.8	21.7	0.8
Unrestricted	84.1	83.7	0.4	89.8	(6.1)
Total Net Position	218.7	211.7	7.0	211.6	0.1

CREDIT HOUR PRODUCTION

The College experienced a slight increase in enrollments of 0.9% (2,075 credit hours) in 2024, following a decrease of -6.5% (-15,796 credit hours) in 2023 and -12.4% (-34,115 credit hours) in 2022, due to the continuing effects of the economy and college-going demographic. Total credit hours have gone from 241,514 in 2022, to 225,718 in 2023, with a slight increase to 227,792 in 2024. In 2024, the proportion of non-sponsored student credit hours compared to total credit hours has decreased to 75.3% from 78.6% in 2023, and from 76.6% in 2022. Correspondingly, the proportion of sponsoring student credit hours has increased to 14.6% in 2024 from 11.8% in 2023, but still below the 15.0% in 2022. Each non-sponsored student paid tuition of $247.25 per credit hour in 2024, while a sponsored student paid $200.75 per credit hour and received local sponsoring school district support.

Credit Hour Production by Student Type

	Student Type						
Academic Year	Sponsored	Nonsponsored	Out of State	College in HS	Total	Increase (Decrease)	% Increase (Decrease)
2020-21	41,000	212,917	11,291	10,421	275,629	(28,732)	-9.44%
2021-22	36,326	185,050	10,944	9,194	241,514	(34,115)	-12.38%
2022-23	26,681	177,401	11,855	9,781	225,718	(15,796)	-6.54%
2023-24	33,370	171,344	12,994	10,085	227,792	2,074	0.92%

% of Total	Sponsored	Nonsponsored	Out of State	College in HS
2020-21	14.88%	77.25%	4.10%	3.78%
2021-22	15.04%	76.62%	4.53%	3.81%
2022-23	11.82%	78.59%	5.25%	4.33%
2023-24	14.65%	75.22%	5.70%	4.43%

Credit Hour Production by Campus

Fiscal Year	International Ed	Lebanon	Gettysburg	York	Virtual	Lancaster	Harrisburg	Total College
2020-21	6	5,526	16,186	24,779	107,086	37,518	84,529	275,629
2021-22	-	4,576	13,075	18,759	97,328	33,743	74,034	241,514
2022-23	76	3,746	10,829	15,479	96,129	27,536	71,924	225,718
2023-24	-	3,110	10,343	13,374	101,543	24,033	75,391	227,792

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows/inflows of resources, liabilities, and net position of the College as of the end of the June 30, 2024 fiscal year. This statement provides a snapshot of the financial condition of the College with unrestricted net position representing funds available to continue the operations of the institution. It presents the end-of-the-year data for current and noncurrent assets, deferred outflows/inflows of resources, current and noncurrent liabilities, and net position (assets plus deferred outflows/inflows minus liabilities). Over a period of time, increases and decreases in net position may serve as a useful gauge of the College’s financial position. As the following chart illustrates, the College is in a strong financial position with net position slightly decreasing from the past year due to slightly larger liabilities to asset mainly relating to the changes is assumptions surrounding the pension and OPEB liabilities.

Statement of Net Position
(In millions)

	2024	2023	Increase (Decrease) 2024 - 2023	2022 Restated	Increase (Decrease) 2023 - 2022 (Restated)
Assets					
Current Assets	$ 133.0	$ 143.5	$ (10.5)	$ 150.4	$ (6.9)
Noncurrent Assets	222.0	211.9	10.1	219.0	(7.1)
Total Assets	355.0	355.4	(0.4)	369.4	(14.0)
Deferred Outflows of Resources	6.4	8.3	(1.9)	5.6	2.7
Total Assets and Deferred Outflows of Resources	361.4	363.7	(2.3)	375.0	(11.3)
			-		
Liabilities			-		
Current Liabilities	33.5	30.7	2.8	32.7	(2.0)
Noncurrent Liabilities	102.7	114.7	(12.0)	118.0	(3.3)
Total Liabilities	136.2	145.4	(9.2)	150.7	(5.3)
Deferred Inflows of Resources	6.5	6.6	(0.1)	12.7	(6.1)
Total Liabilities and Deferred Inflows of Resources	142.7	152.0	(9.3)	163.4	(11.4)
			-		
Net Position			-		
Net Investment in Capital Assets	93.1	90.3	2.8	87.4	2.9
Restricted - expendable	16.2	15.2	1.0	12.7	2.5
Restricted - nonexpendable	25.3	22.5	2.8	21.7	0.8
Unrestricted	84.1	83.7	0.4	89.8	(6.1)
Total Net Position	218.7	211.7	7.0	211.6	0.1

In 2024, current assets decreased by $ 10.5 million over 2023. During the year, operating cash and cash equivalents decreased by $ 13.5 million, restricted cash and cash equivalents decreased by $ 8.6 million and short-term investments increased by $ 9.5 million. $ 17.4 million of the College's cash and cash equivalents changed designation to long-term and short-term investments as of June 30, 2024 in an effort to take advantage of interest rates. In 2024 an additional inflow of $ 3.9 million in cash and cash equivalents is due to investment income, net of expenses. The Foundation cash and cash equivalents increased by $ 64,900 due to investment gains and income due to rising market conditions. $ 8.6 million in Restricted cash and cash equivalents was spent down on the College's Guaranteed Energy Savings Agreement projects. In addition, in 2024, the College incurred a decrease in accounts receivable of $ 2.4 million due to Tuition and Fees Receivable. Lease Receivable – current portion increased by $ 100,000. Other assets saw a $ 200,000 decrease due to a decrease in prepaid expenses for the subsequent year(s). Bookstore inventories saw a $ 200,000 decrease over fiscal year 2022-2023.

The noncurrent assets increased by $ 10.1 million in 2024 from the previous year. This increase is mainly attributable to the increase in Long-Term Investments of $ 7.9 million this is due to the changes in designation of cash and cash equivalents to longer term investment options of $ 3.5 million for the College and an additional $ 4.4 million for the Foundation in order to take advantage of better long term interest rates. Capital Assets, Right to Use Assets and SBITA Assets increased a combined $ 1.6 million due to the outpacing of additions of assets as well as a decrease in Construction in Progress related to the GESA project to depreciation expense. Lease Receivable – long term portion increased by $ 0.6 million due to an increase in renewals of space leases.

Deferred Outflows of Resources decreased by $ 1.9 million due to a decrease in deferred outflows related to pension liability (Pension) [GASB 68] of $ 1.8 million and a $ 200,000 decrease in deferred charges in bond refinancing. The deferred outflow related to Other Post Employment Benefit (OPEB) [GASB 75] liability increased by $ 100,000 over 2023.

The College adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* as of July 1, 2017. This statement requires entities that provide other postemployment benefits other than pension plans (OPEB) to report a liability for its net liability as well as deferred inflows and outflows of resources related to those other postemployment liabilities. The College's OPEB liability is $ 1.1 million as of June 30, 2024, $ 1.1 million as of June 30, 2023, and $ 1.2 million as of June 30, 2022.

Current liabilities for 2024 increased by $ 2.8 million due to increases in Accounts Payable, Deposits held in custody for others and unearned revenue and a decrease in current portion of long-term debt. Accounts Payables increased by $ 3.5 million. This increase was largely attributable to the resolution related to Contingent Liabilities (Note 12 from our June 30, 2023 audited Financial Statements) stating that the USDOE was conducting a program review of the College's administration of its federal student financial aid program. As of October 25, 2024, HACC was in receipt of the finalized settlement agreement requesting a payment of $ 2.7 million. In addition, current liabilities consisted of $ 300,000 is in relation to the booking of a Bond Arbitrage Rebate Liability on our 2022 (GESA) Bonds due to high earnings on the unspent project funds. The remaining $ 500,000 is due to an increase in the Health Insurance Liability over fiscal year 2023. Deposits held in custody for others increased by $ 200,000 due to student agency related income outpacing spend. Unearned Revenue saw an increase of $ 100,000 and Current portion of long-term debt decreased by $ 1.0 million due to the continued reduction in Bonds Payables.

The College adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 87 *Leases,* as of July 1, 2020. This statement requires entities that have leases that convey the control of the right to use another entity nonfinancial asset as specified in the contact for a period of time in exchange or exchange-like transactions, to account for these leases on their balance sheet. This requires the booking of a right to use asset, accumulated amortization and a corresponding liability over the life of the lease term of the leased asset. In addition, for those entities that are a lessor, they must record the receivable and deferred inflows over the lease term.

The College adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 96 Subscription Based Information Technology Arrangements (SBITA), as of July 1, 2021. This statement requires entities that have certain subscription-based information technology agreements to account for these agreements on their balance sheet. This requires the booking of a right to use asset, accumulated depreciation and a corresponding liability over the life of the agreement term of the asset.

The noncurrent liabilities decreased by $ 12.0 million. This was a result of a $ 9.3 million decrease in the bond, lease and SBITA liabilities due to the $ 1.1 million increase in GASB 87 lease obligations, $ 100,000 decrease in SBITA obligations, a $ 400,000 decrease in compensated absences and the $ 9.9 million dollar of debt paydowns. A $ 2.7 million decrease of proportionate share of net pension liability associated with the Public-School Employees' Retirement System (PSERS) and Pennsylvania State Employee's Retirement System (SERS) defined benefit plans.

The College adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 68 *Accounting and Financial Reporting for Pensions,* as of July 1, 2014. This statement requires entities that participate in pension plans to report a liability for its proportionate share of the net pension liability as well as deferred inflows and outflows of resources related to those pension liabilities. The College's proportionate share of net pension liability of the combined PSERS and SERS defined benefit pension plans was $ 25.7 million as of June 30, 2024, $ 28.4 million as of June 30, 2023, and $ 20.6 million as of June 30, 2022. The College's proportionate share of net pension liability from the SERS plan was $ 17.2 million as of June 30, 2024. The PSERS retirement code mandates the Commonwealth of Pennsylvania (Commonwealth) fund 50 percent of the College's retirement expense directly to the plan. This arrangement meets the criteria of a special funding situation in accordance with GASB standards, which mandates the College record 50 percent of the net pension liability of the PSERS plan. The College's total PSERS net pension liability is $ 8.5 million, which is equally allocated to the College and Commonwealth.

In addition, a deferred inflow, representing the difference between projected and actual investment earnings for the above net pension liability, was recorded as a decrease to total liabilities of $ 800,000. See Notes to Financial Statements, Note 10, for additional information.

A deferred inflow, representing the expected revenues on the right-to-use lease receivables, was recorded as an increase to total liabilities and deferred inflows of resources of $ 700,000. This plus the pension deferred inflow accounted for the $ 100,000 decrease in deferred inflows of resources. See Notes to Financial Statements, Note 4, for additional information on Lease Receivables.

Net position as of June 30, 2024 increased $ 7.0 million, from $ 211.7 million as of June 30, 2023. The largest portion of the net position, $ 93.1 million, reflects the College's net investment in capital assets, which showed a $ 2.8 million increase from 2023. The College uses these capital assets to provide services to students and employees and they cannot be easily liquidated for future spending. Therefore, resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities. The Restricted –expendable and Restricted – nonexpendable increased by $ 3.8 million from 2023 due to an increase in the market value of the Foundation endowment. The unrestricted net position balance of $ 84.1 million is available to use for any lawful purpose of the College and the Foundation.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position shows the College's financial results for the fiscal year. The statement includes the College's revenues and expenses, both operating and non-operating.

Operating revenues are those received by the College for directly providing goods and services. Non-operating revenues are those that exclude a direct exchange of goods and services. State and local (school district) appropriations are classified as non-operating revenues since these governmental agencies do not directly receive goods or services for the revenue.

The following is a summarized version of the College's revenues, expenses, and changes in net position for years ending June 30, 2024, 2023 and 2022 (Restated), as well as graphical representations of revenues and expenses by category.

Revenues, Expenses and Changes in Net Position

(In millions)

	2024	2023	Increase (Decrease) 2024-2023	Restated 2022	Increase (Decrease) 2023-2022 Restated
Operating Revenues	$ 101.2	$ 94.8	$ 6.4	$ 89.2	$ 5.6
Operating Expenses	147.9	146.0	1.9	166.8	(20.8)
Operating Income (Loss)	(46.7)	(51.2)	4.5	(77.6)	26.4
Nonoperating Revenues (Net)	47.5	45.0	2.5	99.1	(54.1)
Net Income (Loss) Before Capital Contributions	0.8	(6.2)	7.0	21.5	(27.7)
Capital Contributions	6.1	6.3	(0.2)	7.5	(1.2)
Increase (Decrease) in Net Position	$ 6.9	$ 0.1	$ 6.8	$ 29.0	$ (28.9)

In 2024, operating revenues of $ 101.2 million were $ 6.4 million more than $ 94.8 million in 2023. In 2024, tuition and fees increased by $ 4.8 million due to a slight increase in student enrollment of 0.92% and an increase in tuition rates. Scholarship allowances and discounts increased by $ 400,000 resulting in a total tuition and fee increase of $ 4.4 million. In addition, the College experienced an overall increase of $ 1.0 million in grants and contracts mainly due to enrollment increases. Auxiliary enterprise revenue increased by $ 300,000. Other operating revenues, which includes income from institutional fees increased by $ 600,000, driven by the 0.92% increase in enrollment, increases in rental revenue and an increase in rebate revenues. For the Foundation, Contributions decreased by $ 800,000. Foundation investment income remained flat with 2023, while realized and unrealized gains increased by $ 900,000 due to favorable market conditions.

Tuition Per Credit Hour Comparison

	2024	2023	2022
Sponsored	$ 200.75	$ 191.25	$ 184.00
Non Sponsored	247.25	235.50	226.50
Out of State	325.00	283.25	272.25
Dual Enrolled	175.00	132.50	127.50
Veteran	200.75	191.25	184.00
College in the High School	83.50	79.50	76.50

In 2024, Operating expenses increased by $ 1.9 million for a total of $147.9 million. Overall labor expenses decreased by $ 1.2 million. Salaries and Wages decreased by $ 1.7 million due a decrease in staffing. Fringe benefits cost increased $ 500,000 due mainly to a decrease in SERS liability expense. Professional and Purchased Services increased $ 1.1 million in large part due to an increase in project related services such as Construction Management, Management Consultants and Engineering services mostly related to the GESA project. Scholarships increased by $ 400,000 due to a slight increase in current year financial aid disbursements due to enrollment increases. Supplies and other expenses increased by $ 2.2 million as a result of the USDOE settlement of $ 2.7 million and a reduction of other supply cost of $ 500,000. Depreciation and Amortization decreased by $ 400,000 and Utilities costs decreased by $ 200,000 from Fiscal Year 2022-2023 due to a decrease in electricity expense related to the improvements from the GESA project.

Non-operating revenues (expenses) increased by $ 2.5 million, which includes increases of $ 700,000 in state appropriations from operating subsidy. Federal subsidies decreased by $ 400,000 due to the closeout of the federal HEERF funding. Local appropriations (school district allocations) increased by $ 100,00 per the sponsorship agreement. Gifts remained consistent with fiscal year 2023 and investment income increased $ 1.8 million driven by rising interest rates which were outpaced by fees, while interest expense decreased $ 400,000. There were no sales of assets in fiscal year 2024.

The total capital contributions for fiscal year 2024 amounted to $ 6.1 million. This was a decrease of $ 200,000 compared to 2023, which was attributable to an increase of $ 300,000 in state appropriations due to an increase in debt funding per the amortization schedules; and a $500,000 decrease in Capital Grants and Gifts. On the Foundation side the Capital Contributions to permanent endowments remained consistent with fiscal year 2023.

The Increase (Decrease) in net position as reported in the Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase of $ 6.8 million when compared to the Increase (Decrease) in net position reported as of June 30, 2023.

STATEMENT OF CASH FLOWS

The final statement presented by the College is the statement of cash flows. The statement of cash flows presents information about the cash activity of the College identifying the major sources and uses of cash during the year. The following summary shows the College's liquidity as of June 30, 2024 decreased $ 22.1 million compared to the prior year's increase of $ 4.8 million. The following is a summary of the statement of cash flows for the years ending June 30, 2024, 2023 and 2022.

Cash Flows
(In millions)

	2024	2023	Increase (Decrease) 2024-2023	2022 Restated	Increase (Decrease) 2023-2022 Restated
Cash Provided (Used) By:					
Operating Activities	$ (67.0)	$ (70.3)	$ 3.3	$ (87.2)	$ 16.9
Noncapital Financing Activities	72.30	81.60	(9.30)	120.90	(39.30)
Capital Financing Activities	(20.00)	(13.70)	(6.30)	(1.00)	(12.70)
Investing Activities	(7.40)	7.20	(14.60)	(11.80)	19.00
Net Increase (decrease) in Cash and Cash Equivalents	(22.10)	4.80	(26.90)	20.90	(16.10)
Cash and Cash Equivalents - Beginning of Year	94.10	89.30	4.80	68.40	20.90
Reclassification of cash equivalent to Short term investment					
Cash and Cash Equivalents - End of Year	$ 72.0	$ 94.1	$ (22.1)	$ 89.3	$ 4.8

CAPITAL ASSET AND DEBT ADMINISTRATION

During the year ending June 30, 2024, the College had capital additions of $ 14.1 million. This included addressing collegewide deferred maintenance through a Guaranteed Energy Savings Act agreement, a self-funded energy efficiency project that installs high efficiency components to generate energy savings, which is then reinvested in updates to existing mechanical systems ($ 12.2 million). It also included equipment required to support the collegewide digital environment in classrooms and other areas ($ 155,000), a digital portable x-ray system for the Radiologic Technology program ($ 114,000), elevator updates in the McCormick Library ($ 110,000), and some building improvements related to lead mitigation in the Piccola Law Enforcement Complex ($ 105,000).

Other assets include replacing and repairing equipment, improving security and technology, and upgrading and renovating buildings and classrooms.

The College has several outstanding debt instruments, which were issued to finance various construction projects and other improvements. No new debt was acquired during the year. These debts, including payment schedules, are fully disclosed in detail within Notes.

CAPITAL PLAN

For fiscal year 2025, the College has several capital projects planned. Significant ongoing work begun prior to the start of fiscal year 2025 includes upgrading collegewide fire alarms, decommissioning the pool in Evans Physical Education Center, and converting the Harrisburg tennis courts into pickleball courts.

Some larger initiatives planned to begin in fiscal year 2025 include network segmentation and resiliency, network switch replacements, classroom technology updates, roof top units, elevator upgrades in the Hall Technology building, and roof work for the Lehrman Arts Center. Other smaller projects planned across the college include replacing and repairing instructional and facilities equipment, improving security and technology, and upgrading and renovating buildings and property.

ECONOMIC FACTORS THAT WILL IMPACT THE FUTURE

The College's financial position reflects our primary drivers. On the revenue side, primarily our enrollment and resultant tuition revenue, and secondarily the Pennsylvania State budget annual allocation. On the expense side, employee salary and benefit costs comprise the overwhelming majority of our expenses.

HACC is accredited by the Middle States Commission on Higher Education. It was initially accredited in April 1967. In March 2018, the College was subject to reaffirmation by the Commission. The Commission commended the College for the quality of its self-study process and report and reaffirmed its accreditation on June 21, 2018. The next evaluation visit is scheduled for fiscal year 2026-2027.

State funding through annual appropriations increased in fiscal year 2024 by 2%. Our current five-year sponsoring school district agreement 2022-2023 through 2026-2027, increased by 2.5% in fiscal year 2023-2024.

Overall, the College's current financial position remains strong as is evident by the 2023-2024 financial statements. The College's financial position was affirmed in January 2022 by S & P where the College was assigned a rating of A-. HACC is in the third year of its multi-year 2022-2025 Strategic Plan.

However, the College realizes that the global economy and the higher-education landscape continue to change at a rapid pace, and that it needs to monitor the market and make changes necessary to serve the market and ensure a positive impact on the College's future financial position. The College structure has been aligned to streamline operations, create efficiencies, leverage technology, and eliminate redundancies as evidenced in improving financial position of the college. We are committed to advancing fiscal stability and providing a high-quality, low-cost education where students come first.

HARRISBURG AREA COMMUNITY COLLEGE
Statements of Net Position
June 30, 2024 and 2023

	Primary Institution		Component Unit Foundation		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current Assets						
Cash and cash equivalents	$ 64,518,346	$ 78,133,394	$ 5,259,774	$ 5,194,895	$ 69,778,120	$ 83,328,289
Restricted cash and cash equivalents	2,239,176	10,806,405	-	-	2,239,176	10,806,405
Short-term investments	48,201,704	38,688,461	-	-	48,201,704	38,688,461
Receivables, net	10,386,316	7,924,433	162,656	246,349	10,548,972	8,170,782
Lease receivables	386,974	286,353	-	-	386,974	286,353
Other assets	825,147	994,939	2,732	75,736	827,879	1,070,675
Inventories	1,000,022	1,131,947	-	-	1,000,022	1,131,947
Internal balances	197,959	195,613	(197,959)	(195,613)	-	-
Total current assets	127,755,644	138,161,545	5,227,203	5,321,367	132,982,847	143,482,912
Noncurrent Assets						
Long-term investments	5,028,845	1,529,894	42,498,610	38,059,185	47,527,455	39,589,079
Lease receivables	2,939,638	2,327,332	-	-	2,939,638	2,327,332
Capital assets not being depreciated	13,512,133	15,309,148	-	-	13,512,133	15,309,148
Capital assets, net of accumulated depreciation	153,623,656	150,707,712	-	-	153,623,656	150,707,712
Right-to-use assets - equipment, net of accumulated amortization	1,949,066	419,716	-	-	1,949,066	419,716
Right-to-use assets - IT subscriptions, net of accumulated amortization	2,467,171	3,533,508	-	-	2,467,171	3,533,508
Total noncurrent assets	179,520,509	173,827,310	42,498,610	38,059,185	222,019,119	211,886,495
Total assets	307,276,153	311,988,855	47,725,813	43,380,552	355,001,966	355,369,407
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension liability	5,023,431	6,757,478	-	-	5,023,431	6,757,478
Deferred outflows related to OPEB liability	305,182	223,801	-	-	305,182	223,801
Deferred charge on bond refunding	1,043,246	1,296,435	-	-	1,043,246	1,296,435
Total deferred outflows of resources	6,371,859	8,277,714	-	-	6,371,859	8,277,714
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 313,648,012	$ 320,266,569	$ 47,725,813	$ 43,380,552	$ 361,373,825	$ 363,647,121
LIABILITIES						
Current Liabilities						
Accounts payable and accrued expenses	$ 13,911,806	$ 10,540,530	$ -	$ -	$ 13,911,806	$ 10,540,530
Deposits held in custody for others	4,487,859	4,296,015	-	-	4,487,859	4,296,015
Unearned revenue	2,833,110	2,681,379	5,051	-	2,838,161	2,681,379
Current portion of long-term liabilities	12,146,108	13,167,401	-	-	12,146,108	13,167,401
Total current liabilities	33,378,883	30,685,325	5,051	-	33,383,934	30,685,325
Noncurrent Liabilities						
Long-term liabilities	75,970,974	85,179,436	-	-	75,970,974	85,179,436
Net pension liability	25,726,554	28,424,855	-	-	25,726,554	28,424,855
OPEB liability	1,107,789	1,058,391	-	-	1,107,789	1,058,391
Total noncurrent liabilities	102,805,317	114,662,682	-	-	102,805,317	114,662,682
Total liabilities	136,184,200	145,348,007	5,051	-	136,189,251	145,348,007
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases	3,133,465	2,450,732			3,133,465	2,450,732
Deferred inflows related to pension liability	2,562,461	3,258,896	-	-	2,562,461	3,258,896
Deferred inflows related to OPEB liability	815,969	880,919	-	-	815,969	880,919
Total deferred inflows of resources	6,511,895	6,590,547	-	-	6,511,895	6,590,547
NET POSITION						
Net investment in capital assets	93,064,538	90,268,952	-	-	93,064,538	90,268,952
Restricted - expendable	-	-	16,186,645	15,181,924	16,186,645	15,181,924
Restricted - nonexpendable	-	-	25,319,847	22,509,078	25,319,847	22,509,078
Unrestricted	77,887,379	78,059,063	6,214,270	5,689,550	84,101,649	83,748,613
Total net position	170,951,917	168,328,015	47,720,762	43,380,552	218,672,679	211,708,567
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 313,648,012	$ 320,266,569	$ 47,725,813	$ 43,380,552	$ 361,373,825	$ 363,647,121

HARRISBURG AREA COMMUNITY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and 2023

	Primary Institution		Component Unit Foundation		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Operating Revenues						
Student tuition and fees	$ 65,611,840	$ 60,835,281	$ -	$ -	$ 65,611,840	$ 60,835,281
Scholarship allowance and discounts	(12,629,965)	(12,178,225)	-	-	(12,629,965)	(12,178,225)
Federal grants	22,395,535	21,140,572	-	-	22,395,535	21,140,572
State and local grants	5,367,041	5,572,572	-	-	5,367,041	5,572,572
Sales and services of auxiliary enterprises	6,474,811	6,203,946	-	-	6,474,811	6,203,946
Other operating revenues	8,006,937	7,428,079	-	-	8,006,937	7,428,079
Contributions	-	-	852,913	1,733,234	852,913	1,733,234
Investment income, net of investment expenses	-	-	1,050,390	983,379	1,050,390	983,379
Realized and unrealized gains (losses) on investments	-	-	4,039,364	3,046,626	4,039,364	3,046,626
Total operating revenues	95,226,199	89,002,225	5,942,667	5,763,239	101,168,866	94,765,464
EXPENSES						
Operating Expenses						
Salaries and wages	67,115,721	68,831,694	747,838	623,456	67,863,559	69,455,150
Benefits and payroll taxes	23,848,400	23,518,689	318,809	228,053	24,167,209	23,746,742
Supplies and other expense	18,885,419	16,766,309	120,555	96,687	19,005,974	16,862,996
Professional and purchased services	6,840,581	5,734,517	103,510	68,510	6,944,091	5,803,027
Utilities	2,797,998	3,013,092	-	-	2,797,998	3,013,092
Depreciation and amortization	13,724,180	14,101,201	-	-	13,724,180	14,101,201
Scholarships	13,380,568	13,010,907	-	-	13,380,568	13,010,907
Total operating expenses	146,592,867	144,976,409	1,290,712	1,016,706	147,883,579	145,993,115
Operating income (loss)	(51,366,668)	(55,974,184)	4,651,955	4,746,533	(46,714,713)	(51,227,651)
NON-OPERATING REVENUES (EXPENSES)						
Federal subsidies	-	423,362	-	-	-	423,362
State appropriations	38,978,761	38,241,234	-	-	38,978,761	38,241,234
Local appropriations	4,488,431	4,402,421	-	-	4,488,431	4,402,421
Gifts	471,148	500,777	-	-	471,148	500,777
Gain (loss) on sale of assets	(1,478)	67,693	-	-	(1,478)	67,693
Other nonoperating revenues (expenses)	4,383	20,217	-	-	4,383	20,217
Investment income, net of investment expenses	5,263,148	3,476,772	-	-	5,263,148	3,476,772
Interest expense	(1,722,019)	(2,104,563)	-	-	(1,722,019)	(2,104,563)
Total non-operating revenues, net	47,482,374	45,027,913	-	-	47,482,374	45,027,913
Net gain (loss) before capital contributions, additions to permanent endowments and transfers	(3,884,294)	(10,946,271)	4,651,955	4,746,533	767,661	(6,199,738)
CAPITAL CONTRIBUTIONS, ADDITIONS TO PERMANENT ENDOWMENTS AND TRANSFERS						
Capital appropriations - state sources	5,945,782	5,536,521	-	-	5,945,782	5,536,521
Capital grants and gifts	124,649	620,303	-	-	124,649	620,303
Contributions to permanent endowments	-	-	126,020	103,080	126,020	103,080
Transfers in	1,504,411	1,746,944	1,066,646	851,509	2,571,057	2,598,453
Transfers out	(1,066,646)	(851,509)	(1,504,411)	(1,746,944)	(2,571,057)	(2,598,453)
Total Capital Contributions, Additions to Permanent Endowments and Transfers	6,508,196	7,052,259	(311,745)	(792,355)	6,196,451	6,259,904
Change in net position	2,623,902	(3,894,012)	4,340,210	3,954,178	6,964,112	60,166
Net position - beginning of year	168,328,015	172,222,027	43,380,552	39,426,374	211,708,567	211,648,401
Net position - end of year	$ 170,951,917	$ 168,328,015	$ 47,720,762	$ 43,380,552	$ 218,672,679	$ 211,708,567

Harrisburg Area Community College
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	Primary Institution		Component Unit Foundation		Total	
	2024	2023	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments received for tuition and fees	$ 50,573,402	$ 49,598,187	$ -	$ -	$ 50,573,402	$ 49,598,187
Payments received from auxiliary enterprise charges	6,467,476	6,192,979	-	-	6,467,476	6,192,979
Payments received from other revenues	7,781,124	6,978,883	1,019,644	1,826,539	8,800,768	8,805,422
Payments to and on behalf of employees	(92,604,436)	(96,286,933)	-	-	(92,604,436)	(96,286,933)
Payments to suppliers for goods and services	(25,678,054)	(24,624,289)	(1,158,640)	(960,182)	(26,836,694)	(25,584,471)
Payments for financial aid and scholarships	(13,380,567)	(13,010,907)	-	-	(13,380,567)	(13,010,907)
Net cash provided (used) by operating activities	(66,841,055)	(71,152,080)	(138,996)	866,357	(66,980,051)	(70,285,723)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants and contracts	28,275,029	38,559,835	-	-	28,275,029	38,559,835
State appropriations	39,019,263	38,115,569	-	-	39,019,263	38,115,569
Local appropriations	4,527,698	4,414,442	-	-	4,527,698	4,414,442
Gifts received	458,059	508,253	-	-	458,059	508,253
Transfer to/(from) other funds	435,428	826,002	(435,428)	(826,002)	-	-
Net cash provided (used) by noncapital financing activities	72,715,477	82,424,101	(435,428)	(826,002)	72,280,049	81,598,099
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
State and local appropriations	5,945,783	5,536,521	-	-	5,945,783	5,536,521
Capital grants and gifts received	124,648	620,303	-	-	124,648	620,303
Purchases of capital assets	(12,757,420)	(5,618,627)	-	-	(12,757,420)	(5,618,627)
Proceeds from sale of capital assets	15,571	152,513	-	-	15,571	152,513
Principal paid on debt	(9,100,000)	(8,720,000)	-	-	(9,100,000)	(8,720,000)
Principal paid on leases and SBITA	(1,476,670)	(2,652,496)	-	-	(1,476,670)	(2,652,496)
Principal and interest received for long term leases	38,239	431,758	-	-	38,239	431,758
Interest paid on debt, leases and SBITA	(2,759,071)	(3,430,201)	-	-	(2,759,071)	(3,430,201)
Net cash provided (used) by capital financing activities	(19,968,920)	(13,680,229)	-	-	(19,968,920)	(13,680,229)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments (net for foundation)	(51,497,679)	(42,830,919)	(400,061)	469,937	(51,897,740)	(42,360,982)
Proceeds from sale/maturities of investments (net for foundation)	38,485,484	45,533,021	-	-	38,485,484	45,533,021
Investment income (loss)	4,924,416	3,029,545	1,039,364	967,897	5,963,780	3,997,442
Net cash provided (used) by investing activities	(8,087,779)	5,731,647	639,303	1,437,834	(7,448,476)	7,169,481
Increase (decrease) in cash and cash equivalents	(22,182,277)	3,323,439	64,879	1,478,189	(22,117,398)	4,801,628
Cash and cash equivalents - beginning of year	88,939,799	85,616,360	5,194,895	3,716,706	94,134,694	89,333,066
Cash and cash equivalents - end of year	$ 66,757,522	$ 88,939,799	$ 5,259,774	$ 5,194,895	$ 72,017,296	$ 94,134,694
AS REPORTED ON STATEMENT OF NET POSITION						
Cash and cash equivalents	$ 64,518,346	78,133,394	$ 5,259,774	$ 5,194,895	$ 69,778,120	$ 83,328,289
Restricted cash and cash equivalents	2,239,176	10,806,405	-	-	2,239,176	10,806,405
Total cash and cash equivalents	$ 66,757,522	$ 88,939,799	$ 5,259,774	$ 5,194,895	$ 72,017,296	$ 94,134,694

Statements of Cash Flows (Continued)
Years Ended June 30, 2024 and 2023

	Primary Institution		Component Unit Foundation		Total	
	2024	2023	2024	2023	2024	2023
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES						
Operating (loss)	$ (51,366,668)	$ (55,974,184)	$ 4,651,955	$ 4,746,533	$ (46,714,713)	$ (51,227,651)
Adjustments to reconcile net operating loss to net cash used in operating activities:						
Depreciation and amortization	13,724,180	14,101,201	-	-	13,724,180	14,101,201
Grants classified as operating revenues	(27,762,576)	(26,713,144)	-	-	(27,762,576)	(26,713,144)
Proceeds from long-term leases	-	(465,438)	-	-	-	(465,438)
Investment income	-	-	(1,050,390)	(983,379)	(1,050,390)	(983,379)
Realized and unrealized (gains) losses on investments	-	-	(4,039,364)	(3,046,626)	(4,039,364)	(3,046,626)
Contributions to permanent endowments	-	-	126,020	103,080	126,020	103,080
(Increase) Decrease in:						
Accounts receivable	(2,681,554)	1,056,691	94,728	119,872	(2,586,826)	1,176,563
Inventory	131,925	1,412	-	-	131,925	1,412
Note receivable	(100,620)	-	-	-	(100,620)	-
Other assets	121,464	(204,040)	73,004	(73,123)	194,468	(277,163)
Increase (Decrease) in:						
Deferred revenues	-	-	5,051	-	5,051	-
Unearned revenue	93,720	(258,228)	-	-	93,720	(258,228)
Accounts payable and accrued expenses	2,769,827	(2,219,558)	-	-	2,769,827	(2,219,558)
Compensated absences	(204,975)	266,836	-	-	(204,975)	266,836
Other postemployment benefits	49,398	(171,190)	-	-	49,398	(171,190)
Net pension liability and related items	(1,807,020)	(965,542)	-	-	(1,807,020)	(965,542)
Deposits held in custody for others	191,844	393,104	-	-	191,844	393,104
Net cash provided (used) by operating activities	$ (66,841,055)	$ (71,152,080)	$ (138,996)	$ 866,357	$ (66,980,051)	$ (70,285,723)
NONCASH INVESTING, CAPITAL AND NONCAPITAL FINANCING TRANSACTIONS						
Right-to-use asset acquisition, leases/SBITA	$ 3,093,875	$ 1,428,291	$ -	$ -	$ 3,093,875	$ 1,428,291
Transfers of salaries, benefits, professional services, and other in-kind contributions	$ (1,066,646)	$ (851,509)	$ 1,066,646	$ 851,509	$ -	$ -
Unrealized gains (losses) on investments	$ (5,950)	$ 438,940	$ 1,857,174	$ 1,857,174	$ 1,851,224	$ 2,296,114

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Harrisburg Area Community College (the "College") is a public comprehensive, two year, co-educational institution, which commenced operations in 1964 under the provisions of the Community College Act of 1963. Campuses are located in Gettysburg, Harrisburg, Lancaster, Lebanon, and York, Pennsylvania. The College is accredited by the Middle States Commission on Higher Education (MSCHE).

Basis of Presentation

The financial statements of the College have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB"), providing a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, and changes in net position and cash flows.

The College's financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All activities of the College are accounted for within a single proprietary (enterprise) fund and are classified as a business-type activity. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses when materials or services are received. All intercompany accounts and transactions have been eliminated.

Reporting Entity

GASB provides guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. The Harrisburg Area Community College Foundation (the "HACC Foundation" or "Foundation") is included in the College's financial statements as a component unit due to the oversight responsibility of the College in accordance with GASB standards. The criteria used in determining oversight responsibility include financial interdependency, ability to appoint members of the governing body, ability to designate management, ability to significantly influence operations, and accountability for fiscal matters.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

In accordance with the provisions of the GASB, the HACC Foundation is shown as a blended component unit due primarily to the fact that it was organized for the purpose of receiving gifts and grants and to distribute the available funds to, or for the benefit of, the College and the Foundation's Board of Directors is appointed by the College Board of Trustees. Substantially all of HACC Foundation's expenses for scholarships and capital grants are reported as transfers between the entities in these financial statements. The blended financial statements include activity of both entities in the "total" columns but have separate columns for the activity of the College and the Foundation in order to provide a more comprehensive and informational presentation.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The College's activity is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with operations are included on the balance sheet. Net position (i.e., total assets and deferred outflows of resources net of total liabilities and deferred inflows of resources) is segregated into net investment of capital assets, restricted and unrestricted elements.

The College records tuition; all academic, instructional, and other student fees; student financial aid; and auxiliary activity, as operating revenue. In addition, governmental grants in which the grantor receives equal value for the funds given to the College are recorded as operating revenue. All expenses, with the exception of interest expense, loss on the sale of investments, and loss on the disposal of assets are recorded as operating expenses. Appropriations, gifts, interest income, capital grants, gain on the sale of investments, gains on the disposal of assets, and governmental grants in which the grantor does not receive equal value for the funds given to the College are reported as nonoperating revenue or other revenue.

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, accounts payable and retainage payable that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted expendable - This includes net position whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the HACC Foundation pursuant to those stipulations. For the College, this also includes constraints imposed by creditors, grantors, or laws or regulations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Restricted nonexpendable - This includes net position whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the HACC Foundation.

Unrestricted – This category of net position is the amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position. Unrestricted net position represents resources derived from student tuition and fees, state and local appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the entities and may be used at the discretion of the entities to meet current expenses for any purpose.

Use of restricted net position - The entities have not 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 entities attempt to utilize restricted funds first when practicable.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Cash and Cash Equivalents

These include cash on hand, demand deposits, money market funds, certificates of deposit with an original maturity of less than ninety days, and, in accordance with GASB pronouncements, short-term pooled investments in the PSDLAF. For purposes of the statement of net position, the entities consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash consists of unspent bond proceeds which are designated to be used for the specific projects that were funded by the bonds.

Investments

Investments are reported at fair value based on quoted market prices. Certificates of deposit with an original maturity of greater than ninety days are considered investments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Total Return Policy - HACC Foundation

The Foundation follows PA Act 141, "Investment of Trust Funds," and has adopted a total return policy for its permanently restricted (nonexpendable) endowment funds. Based on the PA Act 141 guidelines, the policy has been set into place where income for permanently restricted (nonexpendable) funds has been redefined to mean a percentage of the value of the trust. This percentage is determined annually by the Foundation Board and applied to the previous three years' average of the market value of the trust as a whole. The percentage must legally fall within the range of 2% to 7% and was approved to be 3% and 4% for the years ended June 30, 2024 and June 30, 2023, respectively. Actual investment return, net of the spending policy amount, is added back to the permanently restricted (nonexpendable) corpus. The purpose of this policy is to smooth out the spending of the funds while maintaining the long-term preservation of the fund as a whole under the assumption that in the long run, the actual income and growth of the fund will be greater than the spending of the fund.

Inventories

Inventories are stated at the lower of cost or market, cost being determined using the first-in, first-out method (FIFO).

Capital Assets

Buildings and improvements are stated at cost less accumulated depreciation/amortization. Equipment is stated at estimated historical cost (based on an appraisal done July 1, 1999, plus actual costs for subsequent purchases) less accumulated depreciation/amortization. The College provides for depreciation on the straight-line method over the estimated useful lives of the related assets as shown below. All assets with a purchased cost, or acquisition value if acquired by gift, in excess of $ 5,000 with an estimated useful life in excess of one year is capitalized. Interest costs related to construction are expensed as incurred, effective July 1, 2018. Normal repair and maintenance expenses are not capitalized because they neither add to the value of the property nor materially prolong its useful life.

Asset Type	Useful Life in Years
Buildings	45
Land improvements	20
Equipment	5 - 20
Furniture	20
Right-to-use asset – equipment	2 – 6
Right-to-use asset – vehicles	1 – 7
Right-to-use asset – facilities	2
Right-to-use asset – IT subscriptions	1 - 6

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes 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 a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College has several items that qualify for reporting in this category, including the deferred charge on bond refunding and various amounts related to pension and OPEB liabilities. These amounts will be amortized in future periods.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College's deferred inflows of resources consist of various amounts related to pension and OPEB liabilities and future revenues related to leases. These amounts will be amortized in future periods.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using either the effective interest method or the straight-line method (which approximates the effective interest method). Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as other assets and amortized over the term of the related debt.

Leases

Lessee: The College is a lessee for noncancellable leases of buildings, data processing equipment, facilities management equipment, and vehicles. The College recognizes lease liabilities and intangible right-to-use lease assets (lease asset) in the financial statements.

At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the useful life.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College uses the Secured Overnight Financing Rate (SOFAR) rate plus 0.97 percent per College policy.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price the College is reasonably certain to estimate.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The College monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The College is a lessor of building space to educational entities as well as campus property related to cell tower space, billboards, and parking spaces. The College recognizes lease receivables and deferred inflows of resources in the financial statements.

At the commencement of a lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines the (1) discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period the lease. Lease receipts included in the measurement of the lease receivables are composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-based Information Technology Arrangements

The College is a lessee for noncancellable arrangements for subscription-based information technology. The College recognizes subscription liability and an intangible right-to-use IT subscription asset (subscription asset) in the statement of net position.

At the commencement of a subscription arrangement, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription arrangement commencement date, plus certain implementation stage costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription arrangements include how the College determines (1) the discount rate it uses to discount the expected subscription arrangement payments to present value, (2) subscription term, and (3) subscription payments.

- The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College uses the Secured Overnight Financing Rate (SOFAR) rate plus 0.97 per College policy.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-based Information Technology Arrangements (Continued)

- The subscription term includes the noncancellable period of the subscription arrangement. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any renewal provisions that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its subscription arrangement and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Income Taxes

The College is considered an activity of the Commonwealth of Pennsylvania and is tax-exempt. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The HACC Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. HACC Foundation files Form 990, "Return of Organization Exempt from Income Tax".

Compensated Absences

Liability for compensated absences is accounted for in accordance with generally accepted accounting principles, which require entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned, and payment becomes probable.

The College's full-time employees earn up to a maximum of twenty vacation leave days per year and are entitled to compensation for accumulated, unpaid vacation leave upon termination up to a maximum of forty days. Full-time employees also earn up to 12 sick leave days per year and are entitled to compensation for accumulated unpaid sick leave upon retirement. The maximum payout is for 45 sick days.

The estimate of the liability for the accumulated unpaid sick leave has been calculated using the vesting method. Under that method, the College has identified the accrued sick leave benefit earned to date by each employee, determined the cost of that benefit by reference to the benefit provisions and the current rates paid by the College, and estimated the probability of the payment of that benefit to employees upon retirement.

The estimated expense incurred for vacation leave and sick leave is recorded as a component of fringe benefits and payroll taxes on the statement of revenues, expenses, and changes in net position.

Classification of Revenues

The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises; (3) most Federal, state, local, and nongovernmental grants and contracts; and (4) sales and service of educational activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues (Continued)

Nonoperating Revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions (in which the College receives value without directly giving equal value in return), such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as federal subsidies, state and local appropriations and investment income.

Capital Contributions, Additions to Permanent Endowments and Transfers - These include activities that have the characteristics of non-exchange transactions, such as contributions for capital purposes, permanently restricted contributions (nonexpendable), and transfers between the College and Foundation.

Accounts Receivable

College accounts receivable relate to transactions involving student tuition and fee billings for semesters in which services are provided, governmental appropriations, grants and contracts, financial aid, and other miscellaneous transactions. Foundation accounts receivable represent contributions receivable, net of an allowance for uncollectible accounts.

Allowance for Doubtful Accounts

It is the College's policy to provide an estimate for future losses on uncollectible accounts, contracts, grants, and loans receivable based on an evaluation of the underlying account, contract, grant and loan balances, the historical collectability experienced by the College on such balances and such other factors which, in the College's judgment, require consideration in estimating doubtful accounts.

The Foundation provides an allowance based on prior years' experience and management's analysis of specific promises made.

Scholarship Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf.

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans, funds provided to students as awarded by third parties and the Federal Direct Loan Program (FDLP) is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as either operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a College-wide basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plans

Employees of the College are provided pension benefits through one of three available multiple-employer retirement plans. The College follows the provisions of GASB standards for the measurement, recognition, and display of the net pension liability, deferred outflows and inflows of resources, pension expense, and note disclosures associated with their proportionate share of the pension plan.

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 the fiduciary net position of the Public School Employees' Retirement System (PSERS) and Pennsylvania State Employees' Retirement System (SERS) and additions to/deductions from PSERS's and SERS's fiduciary net position have been determined on the same basis as they are reported by PSERS and SERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits Other Than Pension

GASB establishes standards for the measurement, recognition, and display of other postemployment benefit expenditures and related liabilities, note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The College's other postemployment benefits are accounted for in accordance with these standards.

College Health Care Plan

The College provides postemployment benefits by permitting retired employees the ability to participate in the single employer defined benefit other postemployment benefit (OPEB) plan at the same premium rate, albeit 100% paid for by the retirees. Consequently, the College is providing an implicit rate subsidy to its retirees. These benefits are financed on a pay-as-you-go basis.

PSERS Health Insurance Premium Assistance Program

The College also participates in governmental cost sharing multiple-employer OPEB plan with PSERS for all eligible retirees who qualify and elect to participate. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 2 DEPOSITS AND INVESTMENTS

The College authorizes the following investment instruments which are allowable under Pennsylvania Law:

- U.S. Treasury obligations which carry the full faith and credit guarantee of the United States government and are considered to be the most secure instruments available;
- U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the U.S. Treasury obligations or U.S. government agency and instrumentality obligations as outlined above;
- Certificates of deposit and other evidences of deposit at financial institutions;
- Bankers' acceptances;
- Commercial paper;
- Shares of a portfolio of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933; provided that all of the following are met: (a) the only investments of that portfolio are in the authorized investments listed above, (b) the portfolio is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (c) the portfolio is rated in the highest category by a nationally recognized rating agency;
- Shares of a portfolio of a local government investment pool, either state-administered or developed through State Law, also known as the Intergovernmental Cooperation Act, provided that the following are met: (a) the only investments of that portfolio are in the authorized investments listed above, (b) the portfolio is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (c) the portfolio is rated in the highest category by a nationally recognized rating agency.

The Foundation is not restricted by any outside parties regarding the types of investments it may invest in. However, the Foundation does have an investment policy, which allows for investments in stock (domestic and foreign), fixed income securities, commercial real estate securities, private equity securities, hedge funds, commodities, and cash.

Custodial Credit Risk – Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the College's or the Foundation's deposits may not be returned. The College and the Foundation have separate deposits and therefore have separate credit risk. Neither the College nor the Foundation has a written policy for custodial credit risk. As of June 30, 2024, $ 10,533,051 of the College's bank balance of $ 33,499,663 exposed to custodial credit risk but collateralized under Pennsylvania Act 72. As of June 30, 2023, $ 11,875,208 of the College's bank balance of $ 36,103,909 was exposed to custodial credit risk but collateralized under Pennsylvania Act 72. Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits and Investments (Continued)

of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets.

Included in the totals above is a non-negotiable certificates of deposit (CD) in the amount of $ 4,000,000 and $ 541,062 as of June 30, 2024 and 2023, respectively. These CD's had an original maturity greater than 90 days and is classified as investments in the financial statements.

Based on the standards outlined in Act 72, the various banks utilized by the College have pledged collateral on a pooled basis on behalf of the College and all other governmental depositors in the respective financial institutions.

As of June 30, 2024, none of the Foundation's bank balance of $ 124,748 was exposed to custodial credit risk. As of June 30, 2023, $ 439,166 of the Foundation's bank balance of $ 689,166 was exposed to custodial credit risk, all of which was uninsured and uncollateralized. In addition, the Foundation has investments of $ 47,634,345 and $ 42,560,246 as of June 30, 2024 and 2023, respectively, which are exposed to custodial credit risk because the investments are held on behalf of the Foundation by an investment manager, not in the name of the Foundation. All of these investments are uninsured and uncollateralized.

Credit Risk - Investments

Credit risk is the risk that an issuer of debt securities or other counterparty to an investment will not fulfill its obligations.

Included on the statement of net position of the College are pooled investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF) of $ 15,370,917 and $ 597,948 (classified as cash equivalents) at June 30, 2024 and 2023, respectively. These funds are basically mutual funds that consist of short-term money market instruments and seek to maintain a constant net asset value of $ 1 per share. Portfolio securities are valued at amortized cost, which approximates market value. At June 30, 2024 and 2023, the College's investment in PSDLAF was rated AAAm by Standard and Poor's.

PSDLAF is not registered with the Securities and Exchange Commission (SEC); however, PSDLAF follows investment procedures similar to those followed by SEC registered money market funds. There is no regulatory oversight for the pool which is governed by the PSDLAF Board of Trustees. The College's investment in PSDLAF is valued at amortized cost, which approximates fair value and is determined by the pools' share price.

The College has no limitations or restrictions on withdrawals on accounts held at PSDLAF.

In addition to PSDLAF, the College also invests in brokered certificates of deposit, money market mutual fund, municipal bonds, commercial paper, US Treasury obligations, and agency bonds. At June 30, 2024 and June 30, 2023, the College's agency bonds were rated AAA. The remaining instruments were unrated or the credit quality rating unavailable.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – Investments (Continued)

As of June 30, 2024 and 2023, the Foundation's investments were rated as follows:

	2024		2023	
Investment Type	**Fair Value**	**S+P Credit Quality Rating**	**Fair Value**	**S+P Credit Quality Rating**
Stocks, options, and ETF's	$ 25,513,152	N/A	$ 22,805,352	N/A
Fixed income securities	3,243,380	AAA to BBB-	2,805,279	AAA to BBB-
Mutual funds	18,976,093	N/A	17,036,868	N/A
	$ 47,732,625		$ 42,647,499	

The Foundation's investment policy limits fixed income securities to investment grade bonds.

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments in PSDLAF are not subject to interest rate risk as the funds are accessible on a daily basis and the interest rates change daily based on market conditions.

As of June 30, 2024, the College had the following investments subject to interest rate risk:

		Investment Maturities (in Years)			
	Fair Value	**Less than 1**	**1-5**	**6-10**	**Thereafter**
Brokered certificates of deposit	$ 1,268,237	$ 938,597	$ 329,640	$ -	$ -
Money market mutual funds	31,078,069	31,078,069	-	-	-
Municipal bonds	1,700,185	-	1,200,000	500,185	-
US Treasury obligations	20,988,707	20,988,707	-	-	-
Agency bonds	17,273,420	14,274,400	2,999,020	-	-
PSDLAF Max, Flex, Collateralized CD Pools	15,370,917	15,370,917	-	-	-
	$ 87,679,535	$ 82,650,690	$ 4,528,660	$ 500,185	$ -

As of June 30, 2023, the College had the following investments subject to interest rate risk:

		Investment Maturities (in Years)			
	Fair Value	**Less than 1**	**1-5**	**6-10**	**Thereafter**
Brokered certificates of deposit	$ 1,901,183	$ 244,993	$ 1,656,190	$ -	$ -
Money market mutual funds	53,511,762	53,511,762	-	-	-
Municipal bonds	1,529,894	-	-	1,529,894	-
US Treasury obligations	28,601,443	26,631,163	1,970,280	-	-
Agency bonds	7,644,772	1,568,611	6,076,161	-	-
	$ 93,189,054	$ 81,956,528	$ 9,702,632	$ 1,529,894	$ -

As of June 30, 2024, the Foundation had the following investments subject to interest rate risk:

		Investment Maturities (in Years)			
	Fair Value	**Less than 1**	**1-5**	**6-10**	**Thereafter**
Fixed income securities	$ 3,243,380	$ -	$ 340,825	$ 984,718	$ 1,917,837

The College's and the Foundation's investment policies do not place limits on investment maturities.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Market Risks

The entities invest in various investment securities, which are exposed to various risks, such as interest rate, market, currency and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could be material.

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the Statement of Net Position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Brokered Certificates of Deposit

The fair value of brokered certificates of deposit are estimated using a discounted cash flow calculation that applies to interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities of such deposits. Such investments are classified within Level 2 of the valuation hierarchy.

Municipal Bonds

The fair value of municipal bonds is estimated using similar bonds available on the open market. Such investments are generally classified as Level 2 of the valuation hierarchy.

Equity Securities and Money Market Mutual Funds

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange. The Foundation's interests in mutual funds are categorized by type as equity, fixed income, or alternative investments. Such securities are classified within Level 1 of the valuation hierarchy.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Government Obligations and Corporate Bonds

Government obligations consisting of U.S. Treasury bonds and notes, agency securities, mortgage-backed securities and corporate debt obligations consisting of bonds are generally valued at the most recent price of the equivalent quotes yield for such securities, or those comparable maturity, quality, and type. Such investments are generally classified within Level 2 of the valuation hierarchy.

Agency Bonds

Agency Bonds consisting of Federal Home Loan Bank are generally valued at the most recent price of the equivalent quotes yield for such securities, or those of comparable maturity, quality, and type. Such investments are generally classified as Level 2 of the valuation hierarchy.

The following table sets forth by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of June 30, 2024 and 2023:

2024	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
College:				
Brokered certificates of deposit	$ 1,268,237	$ -	$ 1,268,237	$ -
Money market mutual funds	31,078,069	31,078,069	-	-
Municipal bonds	1,700,185	-	1,700,185	-
US Treasury obligations	20,988,707	-	20,988,707	-
Agency bonds	17,273,420	-	17,273,420	-
Foundation:				
Mutual funds	18,976,093	18,976,093	-	-
Equities	5,770,809	5,770,809	-	-
Equity exchange traded funds	19,742,343	19,742,343	-	-
US Government obligations	1,696,145	-	1,696,145	-
Municipal bonds	186,896	-	186,896	-
Asset backed	131,868		131,868	
Corporate bonds	1,228,471	-	1,228,471	-
Total investments by fair value category	$ 120,041,243	$ 75,567,314	$ 44,473,929	$ -

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
College:				
Brokered certificates of deposit	$ 1,901,183	$ -	$ 1,901,183	$ -
Money market mutual funds	53,511,762	53,511,762	-	-
Municipal bonds	1,529,894	-	1,529,894	-
US Treasury obligations	28,601,443	-	28,601,443	-
Agency bonds	7,644,772	-	7,644,772	-
Foundation:				
Mutual funds	17,036,868	17,036,868	-	-
Equities	7,508,960	7,508,960	-	-
Equity exchange traded funds	15,296,392	15,296,392	-	-
US Government obligations	1,595,644	-	1,595,644	-
Municipal bonds	193,077	-	193,077	-
Corporate bonds	1,016,558	-	1,016,558	-
Total investments by fair value category	$ 135,836,553	$ 93,353,982	$ 42,482,571	$ -

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30:

	College 2024	College 2023	HACC Foundation 2024	HACC Foundation 2023	Total 2024	Total 2023
Student Tuition and fees	$ 7,881,106	$ 5,309,837	$ -	$ -	$ 7,881,106	$ 5,309,837
Allowance for doubtful accounts	(1,550,000)	(1,550,000)	-	-	(1,550,000)	(1,550,000)
Grants and contracts receivable	2,156,934	2,656,508	-	-	2,156,934	2,656,508
State appropriations receivable	656,608	699,481	-	-	656,608	699,481
Other receivables	1,241,668	808,607	98,280	87,254	1,339,948	895,861
Lease receivable - short term	386,974	286,353	-	-	386,974	286,353
Contributions receivable (net of discount)	-	-	354,819	485,430	354,819	485,430
Allowance for doubtful accounts	-	-	(290,443)	(326,335)	(290,443)	(326,335)
Subtotal - current receivables	10,773,290	8,210,786	162,656	246,349	10,935,946	8,457,135
Lease receivable - long term	2,939,638	2,327,332	-	-	2,939,638	2,327,332
Total receivables	$ 13,712,928	$ 10,538,118	$ 162,656	$ 246,349	$ 13,875,584	$ 10,784,467

Contributions receivable of the Foundation, representing donor promises to give, have been discounted to their present value assuming their respective terms and a discount rate of 0.29% - 4.33% at June 30, 2024 and 0.29% - 4.13% 2023. In addition to the contributions receivable noted above, the Foundation also has pledges outstanding for permanently restricted (nonexpendable) endowments that are not reflected in these financial statements. In accordance with GASB standards, contributions are considered voluntary nonexchange transactions which are not recorded as receivable and revenue until all eligibility requirements are met. In the case of contributions where the principal amount must be maintained in perpetuity, the time eligibility requirement related to permanently holding the assets cannot be met until the assets are received. Therefore, receivables are not recorded for these transactions and revenues are not recorded until assets are received. The amount of permanently restricted (nonexpendable) pledges, net of allowance, that are being maintained and tracked internally are $ 2,368 as of June 30, 2024 and $ 10,079 as of June 30, 2023.

NOTE 4 LEASE RECEIVABLE/DEFERRED INFLOWS

The College serves as the lessor for various building, parking, and cell tower leases. As of June 30, 2023 the value of the lease receivable was $ 2,613,685 with a related deferred inflow of $ 2,450,732. As of June 30, 2024, the value of the total lease receivable is $ 3,326,612 with a related deferred inflow of $ 3,133,465. The lessees are required to make fixed payments ranging from $ 51/month to $ 110,860/year. The leases have interest rates ranging from 1.955% to 6.27%. The College recognized lease revenue of $ 465,437 and $ 469,314 during the years ending June 30, 2023 and June 30, 2024, respectively. The College recognized interest revenue of $ 55,992 and $ 94,068 during the years ending June 30, 2023 and June 30, 2024, respectively.

NOTE 5 ENDOWMENTS

The Foundation's endowments consist of individual funds established to provide scholarships and benefits for students of Harrisburg Area Community College. The endowments include both donor-restricted endowment funds and funds designated by the Foundation to function as an endowment. Net position associated with endowment funds, including funds designated by the Foundation to function as endowments, are classified and reported as unrestricted, restricted expendable, or restricted nonexpendable net position based on the existence or absence of donor-imposed restrictions. The classification is based on the Board's interpretation of Pennsylvania's statutes that govern such endowments and its interpretations of donor intent and the related endowment bylaws.

The Foundation considers several factors when making a determination to appropriate or accumulate donor-restricted endowment funds. These factors include the duration and preservation of the fund, the mission of the Foundation, the purpose of any donor restrictions, general economic conditions, the possible effects of inflation and deflation, the expected total return from income and the appreciation of investments and other resources.

The Board of Directors annually makes a determination of the level of funding that will be provided to the Foundation. The Board has the ability to provide funding from the annual investment income and has established a policy of receiving distributions equal to 3% for the year ended June 30, 2024 and 4% for the year ended June 30, 2023 of the average market value of the endowments for the last three years. Any undistributed investment income, as defined by the total return policy, are added to the endowment's temporarily restricted (expendable) principal.

The endowments are invested consistent with an investment policy statement that is monitored by the Board of Directors. To satisfy the long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and income (interest and dividends). Funds in the endowment are primarily invested in equities, fixed income securities and mutual funds. The investment policy sets investment ranges at 55% to 75% for equities, 15% to 35% for fixed income securities, 0% - 20% for alternative investments, and 0% - 10% for cash and cash equivalents.

Total Return Policy

Based on the Total Return Policy described in Note 1, $ 694,058 and $ 939,062 was designated as spendable income within the restricted nonexpendable funds during the years ended June 30, 2024 and 2023, respectively. The remaining amount of accumulated spendable income which is included in restricted expendable net position is $ 3,534,632 and $ 3,731,520 at June 30, 2024 and 2023, respectively.

NOTE 6 CAPITAL ASSETS

The following is a summary of capital asset transactions of the College for the years ended June 30, 2024 and 2023:

2024	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Capital assets not being depreciated				
Land	$ 11,223,581	$ -	$ -	$ 11,223,581
Construction in progress	4,085,567	1,618,715	(3,415,730)	2,288,552
Total capital assets not being depreciated	15,309,148	1,618,715	(3,415,730)	13,512,133
Capital assets being depreciated/amortized				
Building	148,724,994	-	-	148,724,994
Improvements - land	15,325,833	136,905	-	15,462,738
Improvements - building	103,448,918	12,972,693	-	116,421,611
Improvements - leasehold	17,420,619	-	-	17,420,619
Instructional equipment	43,784,619	695,815	(962,198)	43,518,236
Non-instructional equipment	36,419,005	340,243	(75,629)	36,683,619
Right-to-use asset - equipment	1,154,995	1,990,702	(638,350)	2,507,347
Right-to-use asset - vehicles	224,667	42,583	(48,775)	218,475
Right-to-use asset - IT subscriptions assets academic	3,593,683	470,009	(1,261,579)	2,802,113
Right-to-use asset - IT subscriptions assets administrative	3,141,006	590,581	(1,791,898)	1,939,689
Total capital assets being depreciated /amortized, net	373,238,339	17,239,531	(4,778,429)	385,699,441
Less accumulated depreciation/amortization:				
Building	(65,795,826)	(3,200,596)	-	(68,996,422)
Improvements - land	(6,619,535)	(670,353)	-	(7,289,888)
Improvements - building	(59,892,060)	(4,223,719)	-	(64,115,779)
Improvements - leasehold	(14,026,587)	(730,054)	-	(14,756,641)
Instructional equipment	(31,131,938)	(1,100,055)	961,254	(31,270,739)
Non-instructional equipment	(36,950,332)	(1,287,427)	59,066	(38,178,693)
Right-to-use asset - equipment	(871,581)	(450,565)	632,026	(690,120)
Right-to-use asset - vehicles	(88,365)	(82,926)	84,655	(86,636)
Right-to-use asset - IT subscriptions assets academic	(1,572,405)	(1,016,532)	1,254,228	(1,334,709)
Right-to-use asset - IT subscriptions assets administrative	(1,628,774)	(948,851)	1,637,703	(939,922)
Total accumulated depreciation /amortization	(218,577,403)	(13,711,078)	4,628,932	(227,659,549)
Total capital assets being depreciated /amortized, net	154,660,936	3,528,453	(149,497)	158,039,892
Total capital assets, net	$ 169,970,084	$ 5,147,168	$ (3,565,227)	$ 171,552,025

NOTE 6 CAPITAL ASSETS (CONTINUED)

2023

	Beginning Balance	Additions	Retirements	Ending Balance
Cost:				
Capital assets not being depreciated				
Land	$ 11,223,581	$ -	$ -	$ 11,223,581
Construction in progress	2,023,788	4,083,848	(2,022,069)	4,085,567
Total capital assets not being depreciated	13,247,369	4,083,848	(2,022,069)	15,309,148
Capital assets being depreciated/amortized				
Building	148,724,994	-	-	148,724,994
Improvements - land	15,319,805	6,028	-	15,325,833
Improvements - building	101,058,007	2,390,911	-	103,448,918
Improvements - leasehold	17,420,619	-	-	17,420,619
Instructional equipment	42,893,178	1,134,130	(242,689)	43,784,619
Non-instructional equipment	36,253,317	381,096	(215,408)	36,419,005
Right-to-use asset - equipment	2,244,573	178,484	(1,268,062)	1,154,995
Right-to-use asset - vehicles	249,807	59,397	(84,537)	224,667
Right-to-use asset - IT subscriptions assets academic	3,291,930	425,996	(124,243)	3,593,683
Right-to-use asset - IT subscriptions assets administrative	2,465,212	764,414	(88,620)	3,141,006
Total capital assets being depreciated /amortized, net	369,921,442	5,340,456	(2,023,559)	373,238,339
Less accumulated depreciation/amortization:				
Building	(62,534,555)	(3,261,271)	-	(65,795,826)
Improvements - land	(5,943,572)	(675,963)	-	(6,619,535)
Improvements - building	(55,720,380)	(4,171,680)	-	(59,892,060)
Improvements - leasehold	(13,274,499)	(752,088)	-	(14,026,587)
Instructional equipment	(30,279,642)	(1,090,649)	238,353	(31,131,938)
Non-instructional equipment	(35,733,748)	(1,419,198)	202,614	(36,950,332)
Right-to-use asset - equipment	(1,460,665)	(676,302)	1,265,386	(871,581)
Right-to-use asset - vehicles	(106,070)	(64,694)	82,399	(88,365)
Right-to-use asset - IT subscriptions assets academic	(690,511)	(1,006,138)	124,244	(1,572,405)
Right-to-use asset - IT subscriptions assets administrative	(787,619)	(929,775)	88,620	(1,628,774)
Total accumulated depreciation /amortization	(206,531,261)	(14,047,758)	2,001,616	(218,577,403)
Total capital assets being depreciated /amortized, net	163,390,181	(8,707,302)	(21,943)	154,660,936
Total capital assets, net	$ 176,637,550	$ (4,623,454)	$ (2,044,012)	$ 169,970,084

NOTE 7 OTHER ASSETS

Other assets of the College at June 30 consist of:

	2024	2023
Prepaid expenses	$ 619,679	$ 740,485
Prepaid bond insurance	448,379	448,379
Accumulated amortization - prepaid bond insurance	(242,911)	(193,925)
	$ 825,147	$ 994,939

NOTE 8 BORROWINGS AND COMPENSATED ABSENCES

Long-term liabilities had the following activity during the year ended June 30, 2024 and 2023:

2024

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Long-term Portion
Leases and bonds payable:						
Lease liability	$ 358,920	$ 2,048,490	$ (497,804)	$ 1,909,606	$ 565,739	$ 1,343,867
SBITA liabilty	3,149,703	-	(985,142)	2,164,561	850,854	1,313,707
SPSBA and LHEA College Revenue Bonds payable:						
Series of 2014	7,430,000	-	(2,125,000)	5,305,000	1,265,000	4,040,000
Series of 2015	655,000	-	(325,000)	330,000	330,000	-
Series of 2015A	8,960,000	-	(1,010,000)	7,950,000	1,045,000	6,905,000
Series of 2016	12,990,000	-	(815,000)	12,175,000	845,000	11,330,000
Series of 2016A	7,905,000	-	(1,390,000)	6,515,000	1,470,000	5,045,000
Series of 2021	24,240,000	-	(2,200,000)	22,040,000	2,315,000	19,725,000
Series of 2022	18,645,000	-	(1,234,999)	17,410,001	1,300,000	16,110,001
Bond premium	7,464,148	-	(1,490,325)	5,973,823	1,309,443	4,664,380
Total lease, SBITA and bonds payable	91,797,771	2,048,490	(12,073,270)	81,772,991	11,296,036	70,476,955
Other liabilities:						
Compensated absences:						
Vacation leave	3,662,266	549,349	(551,089)	3,660,526	544,181	3,116,345
Sick leave	2,886,800	320,134	(523,369)	2,683,565	305,891	2,377,674
Total other liabilities	6,549,066	869,483	(1,074,458)	6,344,091	850,072	5,494,019
Total long-term liabilities	$ 98,346,837	$ 2,917,973	$ (13,147,728)	$ 88,117,082	$ 12,146,108	$ 75,970,974

2023

	Beginning Balance, as restated	Additions	Retirements	Ending Balance	Current Portion	Long-term Portion
Leases and bonds payable:						
Lease liability	$ 809,765	$ 248,679	$ (699,524)	$ 358,920	$ 171,329	$ 187,591
SBITA liabilty	4,058,875	1,071,573	(1,980,745)	3,149,703	1,731,982	1,417,721
SPSBA and LHEA College Revenue Bonds payable:						
Series of 2014	9,495,000	-	(2,065,000)	7,430,000	2,125,000	5,305,000
Series of 2015	960,000	-	(305,000)	655,000	325,000	330,000
Series of 2015A	9,915,000	-	(955,000)	8,960,000	1,010,000	7,950,000
Series of 2016	13,780,000	-	(790,000)	12,990,000	815,000	12,175,000
Series of 2016A	9,230,000	-	(1,325,000)	7,905,000	1,390,000	6,515,000
Series of 2021	26,330,000	-	(2,090,000)	24,240,000	2,200,000	22,040,000
Series of 2022	19,835,000	-	(1,190,000)	18,645,000	1,235,000	17,410,000
Bond premium	9,092,918	-	(1,628,770)	7,464,148	1,490,325	5,973,823
Total lease, SBITA and bonds payable	103,506,558	1,320,252	(13,029,039)	91,797,771	12,493,636	79,304,135
Other liabilities:						
Compensated absences:						
Vacation leave	3,538,927	650,417	(527,078)	3,662,266	507,967	3,154,299
Sick leave	2,743,303	353,835	(210,338)	2,886,800	165,798	2,721,002
Total other liabilities	6,282,230	1,004,252	(737,416)	6,549,066	673,765	5,875,301
Total long-term liabilities	$ 109,788,788	$ 2,324,504	$ (13,766,455)	$ 98,346,837	$ 13,167,401	$ 85,179,436

NOTE 8 BORROWINGS AND COMPENSATED ABSENCES (CONTINUED)

If the College defaults in its payments on the bonds in any fiscal year because its revenues in such fiscal year are insufficient to pay its obligations as they become due and payable, the State Public School Building Authority or the Lancaster Higher Education Authority, respectively, shall notify the Secretary of the Department of such default and request that the Secretary of the Department withhold out of any appropriation due to the College under the Community College Act an amount equal to the sum or sums owing by the College and to pay over to the trustee, the amount so withheld.

In-Substance Defeasance

On July 28, 2021, the College defeased $ 890,000 of the Series of 2015 bond using existing resources. The College placed $ 952,107 in escrow for future principal and interest remaining on that portion of the bond. As of June 30, 2023, the amount of debt defeased in substance still outstanding was $ 465,000. As of June 30, 2024 the amount of debt defeased in substance is $ 0.

College Revenue Bonds Payable

College revenue bonds payable at June 30, 2024 and 2023 consist of the following:

	2024	2023
2014, issued $ 22,510,000 in June 2014; at a fixed rate of 0.30%-3.50%; interest and principal payable semi-annually through October 2027.	$ 5,305,000	$ 7,430,000
2015, issued $ 5,720,000 in February 2015; at a fixed rate of 0.30%-2.46%; interest and principal payable semi-annually through October 2024.	330,000	655,000
2015A, issued $ 14,245,000 in February 2015; at a fixed rate of 0.50%-3.11%; interest and principal payable semi-annually through October 2030.	7,950,000	8,960,000
2016, issued $ 18,000,000 in July 2016; at a fixed rate of 0.75%-3.00%; interest and principal payable semi-annually through April 2036.	12,175,000	12,990,000
2016A, issued $ 13,620,000 in July 2016; at a fixed rate of 0.78%-2.7%; interest and principal payable semi-annually through October 2029.	6,515,000	7,905,000
2021, issued $ 28,315,000 in February 2021; at a fixed rate of 0.22%-1.23%; interest and principal payable semi-annually through October 2031.	22,040,000	24,240,000
2022, issued $ 19,895,000 in January 2022; at a fixed rate of 0.57%-2.22%; interest and principal payable semi-annually through October 2035.	17,410,001	18,645,000
Total College revenue bonds payable	$ 71,725,001	$ 80,825,000

The bonds are guaranteed by a municipal bond insurance policy. In addition, the College has pledged to include debt service payments due each fiscal year in its budget for such fiscal year.

NOTE 8 BORROWINGS AND COMPENSATED ABSENCES (CONTINUED)

Lease Obligations

The College has entered various lease agreements as the lessee for the acquisition and use of equipment, vehicles, and facilities. The associated right-to-use assets are disclosed in the Capital Assets footnote.

Equipment lease agreements are entered into for the acquisition and use of data processing equipment, computers and facilities management equipment. The terms of these leases range from 2 to 4 years and require monthly, quarterly, or annual payments ranging from $ 4,671 to $ 478,966 rates on equipment leases range from 0.25% - 11.30%.

Vehicle lease agreements are entered into for the acquisition and use of fleet and security vehicles. The terms of these leases range from 4 to 5 years and require monthly principal and interest payments ranging from $ 371 - $ 938. Interest rates on vehicle leases range from 4.60% - 9.04%.

Facility lease agreements are entered into for the use of buildings for education programs. The terms of these leases are 2 years and require monthly payments ranging from $ 1,157 to $ 246,553. The interest rate applied to facility leases is the College's incremental borrowing rate of 2.00%. The College has no facility leases remaining as of June 30, 2023, and had no new facility leases as of June 30 ,2024.

IT Subscription Liabilities

The College entered into subscription arrangements ranging from 3 to 6 years for the exclusive use of subscription-based information technology. The arrangements require annual principal and interest payments ranging from $ 21,031 to $ 256,866 based on interest rates ranging from 1.02% to 6.29%. The associated right-to-use asset is disclosed in the Capital Assets footnote.

Line of Credit

In addition to the above bonds payable, the College also has a line of credit, which was authorized on December 16, 2015, available in the amount of $ 10,000,000, with a variable interest rate of SOFAR (secured overnight financing rate) plus .97% with a floor rate of .15%. There were no draws on the line of credit during the fiscal year and the ending balance as of June 30, 2024 and 2023 is $ 0.

NOTE 8 BORROWINGS AND COMPENSATED ABSENCES (CONTINUED)

Future Maturities

Under an agreement with the Commonwealth of Pennsylvania, a portion of the principal and interest on outstanding bonds eligible for state reimbursement will be paid by the Commonwealth on a reimbursement basis. The combined aggregate amounts of maturities of all bonds and notes are as follows:

Year Ending	State Share		College Share		Total	Total	
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	$ 3,985,996	$ 1,141,677	4,584,004	1,480,678	$ 8,570,000	$ 2,622,355	$ 11,192,355
2026	3,707,190	992,890	4,272,810	1,281,410	7,980,000	2,274,300	10,254,300
2027	3,850,282	844,391	4,474,718	1,091,011	8,325,000	1,935,402	10,260,402
2028	4,010,449	684,617	4,669,551	884,722	8,680,000	1,569,339	10,249,339
2029	3,453,902	535,870	4,161,098	701,393	7,615,000	1,237,263	8,852,263
2030 - 2034	10,708,766	864,017	15,471,234	1,569,933	26,180,000	2,433,950	28,613,950
2035 - 2036	780,000	35,250	3,595,001	132,000	4,375,001	167,250	4,542,251
Total	$ 30,496,585	$ 5,098,712	$ 41,228,416	$ 7,141,147	$ 71,725,001	$ 12,239,859	$ 83,964,860

The amounts of maturities of all lease and SBITA liabilities are as follows:

Year Ending		Lease			SBITA	
June 30	Principal	Interest	Total	Principal	Interest	Total
2025	$ 565,739	$ 21,573	$ 587,312	$ 850,854	$ 77,955	$ 928,809
2026	550,140	14,535	564,675	714,638	47,280	761,918
2027	533,646	7,631	541,277	461,436	19,080	480,516
2028	251,721	2,004	253,725	137,633	5,621	143,254
2029	8,360	350	8,710	-	-	-
	$ 1,909,606	$ 46,093	$ 1,955,699	$ 2,164,561	$ 149,936	$ 2,314,497

NOTE 9 RISK MANAGEMENT

The College is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees and students, and natural disasters.

The College has purchased commercial insurance to cover general and professional liability, cyber liability, directors and officers liability, worker's compensation, accident insurance, flood, unemployment compensation, and employees' health coverage. For these insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The College is self-insured for dental coverage and a prescription drug plan. The liability for estimated claims at June 30, 2024 and 2023 represents three months of claims paid. Changes in the College's claims liability amount for the years ended June 30 were:

	2024	2023
Beginning balance	$ 132,605	$ 127,171
Claims made/changes in estimates	574,353	581,206
Claims paid	(574,353)	(575,772)
Ending balance	$ 132,605	$ 132,605

NOTE 10 PENSION BENEFITS

Substantially all of the employees of the College are covered by one of three multi-employer contributory pension plans; the Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF), the Commonwealth of Pennsylvania Public School Employees' Retirement System (PSERS), or the Commonwealth of Pennsylvania State Employees' Retirement System (SERS).

The Public School Employees' Retirement System ("PSERS") and the Commonwealth of Pennsylvania State Employees' Retirement System ("SERS") are governmental cost-sharing multiple-employer defined benefit plans. The Teachers Insurance and Annuity Association – College Requirement Equities Fund (TIAA-CREF) is a defined contribution plan.

General Information about the Pension Plans

Plan Descriptions

Public School Employees' Retirement System (PSERS) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time 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. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Pennsylvania State Employees' Retirement System (SERS) is the administrator of the State Employees' Retirement Fund (Defined Benefit Plan), which is a cost-sharing multiple-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state government and certain independent agencies. Certain members and employees of employees in the field of education are not required but are given the option to participate. SERS issues a publicly available financial report that can be obtained at www.SERS.pa.gov.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 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 3 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.

NOTE 10 PENSION BENEFITS (CONTINUED)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Benefits are generally equal to 1% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the 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 ten years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit plan with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC).

Class T-G and Class T-H members qualify for a defined benefit normal retirement benefit must work until age 67with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 97 with a minimum 35 years of service.

Defined benefits for T-G and T-H are 1.25% or 1.00%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. A members' right to a defined benefit is vested in 10 years.

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 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 age 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 provides retirement, death, and disability benefits. Article II of the Commonwealth's constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Member retirement benefits are determined by taking years of credited service multiplied by the final average salary multiplied by the annual accrual rate. According to the State Employees' Retirement Code (SERC), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

NOTE 10 PENSION BENEFITS (CONTINUED)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Prior to Act 2010-120, employees who retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit. Members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50, with at least three years of service. Act 2010-120 preserved all benefits in place for members but mandated a number of benefit reductions for new members effective January 1, 2011, through December 31, 2018. The Act created a class of service in which members earn a benefit that accrues at 2% of the member's final average salary instead of 2.5% each year and vests in 10 years instead of five.

The full retirement age is 65 for most employees who entered SERS membership after January 1, 2011, and age 55 for members of the General Assembly and certain employees classified in hazardous duty positions. Act 2017-5 changed the benefit structure for most new employees effective January 1, 2019, which created two hybrid plan options. The two hybrid plan options contain a Defined Benefit Plan component with a full retirement age of 67 that accrues at 1.25% or 1% of the member's final average salary.

Most members of SERS, and all state employees hired after June 30, 2001 and prior to January 1, 2011 (except state police officers and certain members of the judiciary and legislators), are Class AA members. Each class of benefits is based on a multiple of the base accrual rate of 2%, which is called the multiplier. The multiplier for Class AA is 1.25, which translate into an annual benefit of 2.5% of the member's highest three-year average salary times years of service and became effective for members July 1, 2001. The general annual benefit for Class A members is 2% of the member's highest three-year average salary times years of service.

Act 2010-120 created a new A-3 class of service and an optional A-4 class for most employees that entered SERS membership for the first time on or after January 1, 2011 and December 1, 2010 for legislators newly elected in November 2010. Employees who enter SERS membership after the effective date of Act 2010-120 enter as members of the A-3 class with a 45-day window to elect membership in the optional A-4 class. The general annual benefit for Class A-3 members is 2% of the member's highest three-year average salary times years of service while the Class A-4 benefit accrual rate is 2.5%.

Act 2017-5 created a new A-5 hybrid class of service with optional hybrid A-6 class and straight defined contribution-only plan options for state employees (excluding most hazardous duty employees), who first enter SERS membership on or after January 1, 2019. Employees who enter SERS membership under Act 2017-5 enter as members of the A-5 class with a 45-day window to elect membership in the optional A-6 class or straight Defined Contribution Plan. The general annual benefit for Class A-5 members is 1.25% of an average of the highest five calendar years of the member's salary multiplied by years of service, while the Class A-6 benefit accrual rate is 1%. Those members choosing the straight Defined Contribution Plan do not have a benefit accrual rate and retire with their contributions, employer contributions, if vested, and any investment gains on those contributions.

NOTE 10 PENSION BENEFITS (CONTINUED)

General Information about the Pension Plans (Continued)

Contributions

Public School Employees' Retirement System (PSERS)

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% 6.25%
T-C	On or after July22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.5% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	**Defined Benefit (DB) Base Rate**	**Shared Risk Increment**	**Minimum**	**Maximum**
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions:

The College's contractually required contribution rate for fiscal years ended June 30, 2024 and 2023 was 33.36% and 34.51%, respectively, of covered payroll of which the Commonwealth of Pennsylvania contributes 50% of the College's contractually required contributions. The contractually required contributions are 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. Contributions to the pension plan from the employer were $ 910,390 and $ 968,732 for the years ended June 30, 2024 and 2023, respectively.

State Funding:

Pursuant to § 8327 of the PSERS Retirement Code, the Commonwealth of Pennsylvania funds 50% of the College's retirement expense directly to the Plan. This arrangement meets the criteria of a special funding situation in accordance with GASB standards. The net pension liabilities and related deferred inflows and outflows of resources represent the College's share of these amounts or 50%. However, the pension expense is increased and a revenue is recorded to represent the State's portion of pension expense that relates to the College.

NOTE 10 PENSION BENEFITS (CONTINUED)

General Information about the Pension Plans (Continued)

Contributions (Continued)

Pennsylvania State Employees' Retirement System (SERS)

Section 5507 of the 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 board, provides for periodic active member contributions at statutory rates. The 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.

The general membership contribution rate for all Class A and Class AA members is 5% and 6.25% of salary, respectively. The general membership contribution rate under Act 2010-120 for A-3 and A-4 members is 6.25% and 9.3% of salary, respectively. The general membership contribution rate under Act 2017-5 for A-5 and A-6 members is 5% and 4% of salary, respectively. All employee contributions are recorded in individually identified accounts that are credited with interest, calculated at 4% per annum, as mandated by statute.

Accumulated employee contributions are credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

At December 31, 2023 and 2022, the composite actuarially determined rate was 35.32 % and 34.16%, respectively.

Employer rates are computed based on SERS full year ended December 31 and applied to the Commonwealth based on its fiscal year end of June 30; therefore, the employer contribution rates, in effect for SERS full year ended December 31, reflect a blended average of calculated rates. As of December 31, 2023 and 2022, the blended contribution rates were 34.74% and 33.99%, respectively for the plan. The College's contribution rate at June 30, 2024 and June 30, 2023 ranged between 16.10% and 41.09% and 16.18% and 38.82% respectively, of gross pay depending on the class of employee. Contributions to the defined benefit pension plan from the employer were $ 1,881,938 and $ 1,903,663 for the years ended June 30, 2024 and 2023. Contributions to the defined contribution pension plan from the employer were $ 2,847 and $ 2,185 for the years ended June 30, 2024 and 2023.

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public School Employees' Retirement System (PSERS)

At June 30, 2024 and 2023, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for Commonwealth pension support provided directly to the Plan. The amount recognized by the employer 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 were as follows:

	2024	2023
College's proportionate share of the net pension liability	$ 8,496,899	$ 8,891,744
Commonwealth's proportionate share of the net pension liability associated with the College	8,496,899	8,891,744
Total	$ 16,993,798	$ 17,783,488

The net pension liability was measured as of June 30, 2023 and 2022, 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, 2022 to June 30, 2023 and June 30, 2021 to June 30, 2022. The College's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2023, the College's proportion was 0.0191 percent, which is a 0.0009 decrease from its proportion measured as of June 30, 2022. At June 30, 2022, the College's proportion was 0.0200 percent, which was a 0.0005 decrease from its proportion measured as of June 30, 2021.

At June 30, 2024 and 2023, the College reported a liability of $ 17,229,655 and $ 19,533,111, respectively, for its proportionate share of the net pension liability. The net pension liability and the total pension liability were measured and actuarially determined as of December 31, 2023, and December 31, 2022. The College's proportion of the net pension liability was calculated utilizing the employer's projected contributions as it relates to the total projected contributions. At December 31, 2023, the College's proportion was 0.0815 percent, which was an decrease of 0.004 percent from its proportion measured as of December 31, 2022. At December 31, 2022, the College's proportion was 0.0855 percent, which was an increase of 0.002 percent from its proportion measured as of December 31, 2021.

For the year ended June 30, 2024, the College recognized pension expense and related revenue for defined benefit plans as follows:

	PSERS	SERS	Total
Pension expense	$ 259,990	$ 950,396	$ 1,210,386
Revenue for support provided by the Commonwealth	135,000	-	135,000

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public School Employees' Retirement System (PSERS) (Continued)

For the year ended June 30, 2023, the College recognized pension expense and related revenue for defined benefit plans as follows:

	PSERS	SERS	Total
Pension expense	$ 131,460	$ 1,653,963	$ 1,785,423
Revenue for support provided by the Commonwealth	67,000	-	67,000

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PSERS		SERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,000	$ 116,000	$ 486,459	$ 35,017	$ 488,459	$ 151,017
Changes in assumptions	127,000	-	742,516	-	869,516	-
Net difference between projected and actual investment earnings	240,000	-	1,353,719	-	1,593,719	-
Changes in proportions	-	643,000	213,305	1,593,844	213,305	2,236,844
Difference between employer contributions and proportionate share of total contributions	978	25,147	18,252	149,453	19,230	174,600
Contributions subsequent to the measurement date	910,390	-	928,812	-	1,839,202	-
	$ 1,280,368	$ 784,147	$ 3,743,063	$ 1,778,314	$ 5,023,431	$ 2,562,461

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PSERS		SERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,000	$ 77,000	$ 283,865	$ 54,210	$ 287,865	$ 131,210
Changes in assumptions	266,000	-	1,317,410	-	1,583,410	-
Net difference between projected and actual investment earnings	-	151,000	2,653,196	-	2,653,196	151,000
Changes in proportions	-	905,000	293,110	1,956,743	293,110	2,861,743
Difference between employer contributions and proportionate share of total contributions	2,480	2,348	39,874	112,595	42,354	114,943
Contributions subsequent to the measurement date	968,732	-	928,811	-	1,897,543	-
	$ 1,241,212	$ 1,135,348	$ 5,516,266	$ 2,123,548	$ 6,757,478	$ 3,258,896

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public School Employees' Retirement System (PSERS) (Continued)

Amounts of $ 910,390 and $ 928,812 are reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025 related to the PSERS and SERS plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	PSERS	SERS	Total
2025	$ (308,665)	$ (33,464)	$ (342,129)
2026	(332,643)	343,799	11,156
2027	148,139	1,099,472	1,247,611
2028	79,000	(365,556)	(286,556)
2029	-	(8,314)	(8,314)
	$ (414,169)	$ 1,035,937	$ 621,768

Actuarial Assumptions

Public School Employees' Retirement System (PSERS)

The total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2022 actuarial valuation to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level of % pay.
- Investment return – 7.00% includes inflation at 2.75%.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate – decreased from 5.00% to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PUbG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

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

The target allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2023 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5%)	1.2%
	100.0%	

SERS reviews its investment return assumptions in light of economic conditions every year as part of its annual valuation. In June 2022, the SERS Board approved a reduction in the Defined Benefit Plan investment rate of return to 6.875% for 2022 from 7.0% for 2021. In June 2023, the SERS Board maintained the 6.875%.

The total pension liability as of December 31, 2023 was determined using the following actuarial assumptions incorporating the changes noted above:

- Actuarial cost method - Entry Age.
- Investment return - 6.875 net of manager fees including inflation.

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

- Salary increases – Average of 4.55% with a range of 3.30% - 6.95%, including inflation at 2.50%.
- Mortality rates were based on the projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement.

The long-term expected real 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 geometric real rates of return for each major asset class as of December 31, 2023 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	6.0%
Real estate	7.0%	4.8%
U.S. equity	31.0%	4.9%
International equity	14.0%	4.8%
Emerging markets equity	5.0%	5.0%
Fixed income	22.0%	1.8%
Inflation projection (TIPS)	3.0%	1.5%
Cash	2.0%	0.3%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for PSERS and 6.875% for SERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined, and set by statute for each respective plan. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability, for each respective plan.

NOTE 10 PENSION BENEFITS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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, for the PSERS plan, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

Public School Employees' Retirement System (PSERS) – June 30, 2024

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
College's proportionate share of the net pension liability	$ 11,014,323	$ 8,496,899	$ 6,372,946

The following presents the net pension liability, for the SERS plan, calculated using the discount rate of 6.875%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.875%) or 1-percentage point higher (7.875%) than the current rate:

Pennsylvania State Employees' Retirement System (SERS) – June 30, 2024

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
College's proportionate share of the net pension liability	$ 22,610,927	$ 17,229,655	$ 12,685,345

Pension Plans Fiduciary Net Position

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

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

Payables to the Pension Plan

As of June 30, 2024 and 2023, the College has $ 277,545 and $ 302,060 included in accounts payable and accrued wages for the contractually required contribution for the second quarter of 2024 and 2023, respectively, related to the PSERS plan.

NOTE 10 PENSION BENEFITS (CONTINUED)

Defined Contribution Pension Plan

The Teachers Insurance and Annuity Association-College Retirement and Equity Fund (TIAA-CREF) is a cost-sharing, multiple-employer defined contribution plan in which employees are eligible to participate. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. Employer and employee contribution rates are established by statute. The contribution policy, as established by statute, requires contributions by active members and employers. Active members contribute at a rate of 5 percent of their qualifying compensation. Effective June 30, 2019, the College's contribution rate changed to 8 percent of qualifying compensation. Employees hired prior to this change are grandfathered into an employer contribution rate of 10% of qualifying compensation. In addition, employees may contribute to TIAA-CREF through the Supplemental Retirement Annuity.

The contributions to TIAA-CREF for the years ended June 30 were as follows:

	2024	2023
College	$ 3,818,740	$ 4,071,838

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN

Plan Descriptions and Benefits Provided

College Plan

The College has a healthcare plan for retired employees, which is a single employer defined benefit healthcare plan administered by the College. The plan provides medical and prescription drug coverage for both retiree and family. To continue coverage upon retirement, the retiree must reimburse the College 100% of the College's cost of coverage. After age 65, the coverage shall change to a Medicare Supplement Plan with a Medicare Part D Prescription Drug rider or with the plan prescription drug at an adjusted premium. The fact that the blended rate that the retirees pay is less than the actual cost of covering retired members and their beneficiaries results in what is known as an "implicit rate subsidy" by the College, which gives rise to the other postemployment benefit (OPEB).

No assets are accumulated in a trust that meets the criteria of GASB standards for the College Plan.

PSERS

In addition to the other postemployment benefit detailed above, the Public School Employees' Retirement System (PSERS) also provides a health insurance premium assistance program for all eligible employees, which is a governmental cost-sharing multiple employer defined benefit plan. 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' health options program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Plan Descriptions and Benefits Provided (Continued)

PSERS (Continued)

Retirees of the System can participate in the premium assistance program if they 1) have 24 ½ or more years of service, 2) are a disability retiree, 3) have 15 or more years of service and retired after reaching superannuation age, or 4) participate in the PSERS' health option program.

The members eligible to participate in the System include all full-time 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. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Plan Membership

Membership in the College's plan consisted of the following at July 1, 2023, the date of the latest actuarial valuation:

Active participants	824
Retired participants	11
Total	835

Contributions

College Plan

The contribution requirements of plan members and the College are established and may be amended by the College. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the College. For fiscal year 2023, the estimated contribution was $ 51,965 in the form of additional premiums for active employees based on implicit rates for retired employees to the plan.

PSERS

The College's contractually required contribution rate for the fiscal years ended June 30, 2024 and 2023 was 0.64% and 0.75%, respectively, of covered payroll, 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 the unfunded accrued liability. Contributions to the OPEB plan from the employer were $ 17,466 and $ 21,053 for the years ended June 30, 2024 and 2023, respectively.

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

College Plan

The College's total OPEB liability for June 30, 2024 was measured as of July 1, 2023, and the total OPEB liability was determined by rolling forward the total liability from July 1, 2022 to July 1, 2023 based on an actuarial valuation as of July 1, 2023, which was based on census information as of July 2023. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At June 30, 2024, the College reported a total OPEB liability of $ 765,845.

For the year ended June 30, 2023, the College recognized OPEB expense of ($ 32,128).

PSERS

At June 30, 2024 and 2023, the College reported a liability of $ 341,944 and $ 364,473, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and 2022, 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, 2022 to June 30, 2023 and June 30, 2021 to June 30, 2022. The College's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the College's proportion was 0.0189, which is a .0009 decrease from its proportion measured as of June 30, 2023. At June 30, 2023, the College's proportion was 0.0198 percent, which was a .0006 decrease from its proportion measured at June 30, 2022.

The table below summarizes the combined OPEB liability for the years ended June 30, 2024 and 2023:

Total OPEB/ Net OPEB Liability	2024	2023
College plan	765,845	$ 746,084
PSERS	341,944	364,473
Total	$ 1,107,789	$ 1,110,557

Changes in the Total OPEB Liability

College Plan

Total OPEB Liability	2024	2023
Beginning Balance	$ 693,918	$ 746,084
Changes for the year:		
Service cost	42,271	51,156
Interest	29,058	17,552
Differences between expected and actual experience	136,313	-
Changes in assumptions	(83,750)	(65,776)
Benefit payments	(51,965)	(55,098)
Net changes	71,927	(52,166)
Ending Balance	$ 765,845	$ 693,918

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Changes in the Total OPEB Liability (Continued)

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	College Plan		PSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 199,706	$ 389,459	$ 2,000	$ 3,000	$ 201,706	$ 392,459
Changes in assumptions	419	290,019	30,000	65,000	30,419	355,019
Net difference between projected and actual investment earnings	-	-	1,000	-	1,000	-
Changes in proportions - plan	-	-	7,000	68,000	7,000	68,000
Difference between employer contributions and proportionate share of total contributions	-	-	201	491	201	491
Contributions subsequent to the measurement date	47,390	-	17,466	-	64,856	-
	$ 247,515	$ 679,478	$ 57,667	$ 136,491	$ 305,182	$ 815,969

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	College Plan		PSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 89,029	$ 474,432	$ 3,000	$ 2,000	$ 92,029	$ 476,432
Changes in assumptions	471	250,439	40,000	86,000	40,471	336,439
Net difference between projected and actual investment earnings	-	-	1,000	-	1,000	-
Changes in proportions - plan	-	-	17,000	68,000	17,000	68,000
Difference between employer contributions and proportionate share of total contributions	-	-	283	48	283	48
Contributions subsequent to the measurement date	51,965	-	21,053	-	73,018	-
	$ 141,465	$ 724,871	$ 82,336	$ 156,048	$ 223,801	$ 880,919

Amounts of $ 47,390 and $ 17,466 are reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date and will be recognized as a reduction in the total/net OPEB liability in the year ended June 30, 2025 related to the College and PSERS plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	College	PSERS	Total
Year ended June 30:			
2025	$ (103,455)	$ (18,038)	$ (121,493)
2026	(103,455)	(26,049)	(129,504)
2027	(103,455)	(28,049)	(131,504)
2028	(103,455)	(22,060)	(125,515)
2029	(31,354)	(2,093)	(33,447)
Thereafter	(34,179)	-	(34,179)
Total	$ (479,353)	$ (96,289)	$ (575,642)

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial Methods and Assumptions

College Plan

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

PSERS

The total OPEB liability for the College as of June 30, 2024, was determined by rolling forward the System's Total OPEB liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement.

	College Plan	PSERS
Actuarial Cost Method	Entry age normal – level % of pay.	Entry age normal – level % of pay.
Investment Rate of Return	4.13% - S&P 20-year AA rated municipal bond rate, as of July 1, 2023.	4.13% - S&P 20-year municipal bond rate, as of July 1, 2023.
Salary	An assumption for salary increases of 3.50%.	Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
Mortality	Based on the RP-2014 Total Dataset Mortality with Improvement Scale MP-2021.	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
Percentage of Eligible Employees Electing Coverage in Plan	20% of future retirees are assumed to continue medical coverage. 30% of those are assumed to elect spousal coverage.	Eligible retirees will elect to participate pre-age 65 at 50% and eligible retirees will elect to participate post-age 65 at 70%.
Health Care Cost Trend Rate	6.50% in 2023, 6.00% in 2024, 5.50% in 2025, 5.00% in 2026, and 4.50% in 2027 and beyond.	Applied to retirees with less than $ 1,200 in premium assistance per year. Benefit is capped at $ 1,200 per year.
Per Capita Claims Cost	Calculated to be 85% of the fully insured premiums.	N/A

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

PSERS

Investment Return

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.

OPEB – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate

The discount rate used to measure the OPEB liability was 4.13% for both the College's Plan and PSERS. The College Plan is not funded, therefore, the S&P 20-year AA rated municipal bond rate of 4.13% as of July 1, 2023 is the applicable discount rate. Under the PSERS plan's funding policy, contributions are structured for short term funding of premium assistance. 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 or the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB's plan 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 4.13% which represents the S&P 20-year municipal bond rate at July 1, 2023 , was applied to all projected benefit payments to measure the total OPEB liability.

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Sensitivity of the Total and Net OPEB Liability to Changes in the Discount Rate

The following presents the total and net OPEB liabilities of the College, as well as what the College's liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
College Plan - Total OPEB liability	$ 807,288	$ 765,845	$ 726,275

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
PSERS -College's proportionate share of the net OPEB liability	$ 387,000	$ 341,944	$ 305,000

Sensitivity of the Total and Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

For the PSERS plan, healthcare cost trends were applied to retirees receiving less than $ 1,200 in Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $ 1,200.

The following presents the total and net OPEB liabilities of the plans, as well as what the plans' total OPEB liability would be if it were calculated using the healthcare cost trend rate that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

College Plan

	1% Decrease (5.5% decreasing to 3.5%)	Healthcare Cost Trend Rate (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
College Plan - Total OPEB Liability	$ 705,393	$ 765,845	$ 834,567

PSERS

	1% Decrease (Between 4% to 6%)	Healthcare Cost Trend Rate (Between 5% to 7%)	1% Increase (Between 6% to 8%)
PSERS - School District's proportionate share of the net OPEB liability	$ 341,000	$ 341,944	$ 342,000

NOTE 11 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

OPEB Plan Fiduciary Net Position

PSERS

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

Payables to the OPEB Plan

College Plan

As of June 30, 2024 and 2023, the College had no amounts payable to the College OPEB Plan.

PSERS

As of June 30, 2024 and 2023, the College has $ 5,325 and $ 6,565 included in accounts payable and accrued wages for the contractually required contribution for the second quarter of 2024 and 2023, respectively, related to the PSERS plan.

NOTE 12 CONTINGENCIES AND COMMITMENTS

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; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to and/or 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. Management does not expect that the resolution of any outstanding claims and litigation, of which there are several being defended by the College, will have a material adverse effect on the financial position of the College.

Commitments

The College has signed contracts for various projects with commitments in the amount of $ 3,994,364, of which $ 2,288,552 has been incurred as of June 30, 2024.

NOTE 13 STATE APPROPRIATIONS

The following shows the detail of state appropriations earned for the years ended June 30, 2024 and 2023:

	2024	2023
Included in non-operating revenue		
Retirement contribution	$ 126,990	$ 73,000
Social security reimbursement	2,517,182	2,551,842
Tuition reimbursement	36,334,589	35,616,392
Subtotal	38,978,761	38,241,234
Included in capital contributions		
Debt reimbursement	5,582,055	5,175,167
Lease reimbursement	363,727	361,354
Subtotal	5,945,782	5,536,521
Total	$ 44,924,543	$ 43,777,755

NOTE 14 NET POSITION

College

The following shows the details of net investment in capital assets at June 30, 2024 and 2023:

	2024	2023
Capital assets, net	$ 171,552,026	$ 169,970,084
Bonds and notes payable (net of premium, discount and deferred charge on bond refunding) and lease and SBITA liability	(80,726,664)	(90,507,537)
Unspent bond proceeds	2,239,176	10,806,405
Total	$ 93,064,538	$ 90,268,952

The remaining net position of the College is considered unrestricted.

HACC Foundation

The Foundation's board of directors has chosen to place the following limitations on unrestricted net position at June 30:

	2024	2023
Designated for endowment purposes	$ 1,727,846	$ 1,917,952
Undesignated	4,486,424	3,771,598
	$ 6,214,270	$ 5,689,550

NOTE 14 NET POSITION (CONTINUED)

	2024	2023
Scholarships and awards	$ 7,582,012	$ 6,824,684
Academic support	1,805,769	1,624,691
Capital improvements	2,619,818	2,356,269
Other	4,179,046	4,376,280
	$ 16,186,645	$ 15,181,924

Restricted nonexpendable net position is to provide a permanent endowment restricted for various purposes as follows at June 30:

	2024	2023
Scholarships and awards	$ 23,177,534	$ 20,580,547
Academic support	1,026,613	925,484
Other	1,115,700	1,003,047
	$ 25,319,847	$ 22,509,078

NOTE 15 INTERFUND ACTIVITY

At June 30, 2024 and 2023, the Foundation owes the College $ 197,949 and $ 195,613 for expenses paid for by the College that were not yet reimbursed by June 30 of the respective year and for unpaid amounts related to the allocation of expenses for operational support to the College.

In addition, there were transfers made in 2024 and 2023 between the College and the Foundation. The College directly pays the salaries of College employees that provide services to the Foundation and for contracted services. The allocation of employee salaries between the College and the Foundation varies based on their roles and responsibilities. Thus, the Foundation's share of the expenses is reflected in these financial statements as salaries, wages, benefits and payroll taxes totaling $ 1,066,646 and $ 851,509 for the years ended June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the Foundation provided the College with the following funding:

	2024	2023
Scholarship and awards	$ 784,109	$ 920,720
Capital related support	217,211	526,421
Other endowments	503,091	299,803
	$ 1,504,411	$ 1,746,944

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of College's Proportionate Share of the Net Pension Liability

Public School Employees' Retirement System (PSERS)

For the Fiscal Year Ended June 30	College's proportion of the net pension liability (asset)	College's proportionate share of the net pension liability (asset)	Commonwealth's proportionate share of the net pension liability (asset) associated with the College	Total share of the net pension liability (asset)	College's covered payroll - measurement period	College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0191%	$ 8,496,899	$ 8,496,899	$ 16,993,798	$ 5,804,644	146.38%	61.85%
2023	0.2000%	8,891,744	8,891,744	17,783,488	5,829,446	152.53%	61.34%
2022	0.0205%	8,416,637	8,416,637	16,833,274	5,776,186	145.71%	63.67%
2021	0.0224%	11,029,542	11,029,542	22,059,084	6,260,618	176.17%	54.32%
2020	0.0247%	11,555,304	11,555,304	23,110,608	6,810,376	169.67%	55.66%
2019	0.0247%	11,857,225	11,857,225	23,714,450	6,659,678	178.05%	54.00%
2018	0.0225%	11,112,390	11,112,390	22,224,780	6,002,302	185.14%	51.84%
2017	0.0214%	10,605,161	10,605,161	21,210,322	5,547,636	191.17%	50.14%
2016	0.0186%	8,056,648	8,056,648	16,113,296	4,797,798	167.92%	54.36%
2015	0.0174%	6,887,045	6,887,045	13,774,090	4,440,330	155.10%	57.24%

State Employees' Retirement System (SERS)

For the Fiscal Year Ended June 30	College's proportion of the net pension liability (asset)	College's proportionate share of the net pension liability (asset)	College's covered payroll - measurement period	College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0815%	$ 17,229,655	$ 5,267,788	327.08%	65.30%
2023	0.0854%	19,533,111	5,406,950	361.26%	61.50%
2022	0.0835%	12,160,335	5,330,614	228.12%	76.00%
2021	0.0896%	16,399,251	5,870,779	279.34%	67.00%
2020	0.1001%	18,196,851	6,381,057	285.17%	63.10%
2019	0.1099%	22,897,354	7,047,937	324.88%	56.39%
2018	0.1088%	18,811,095	6,812,472	276.13%	62.97%
2017	0.1046%	20,150,811	6,407,146	314.51%	57.81%
2016	0.1090%	19,827,130	6,783,607	292.28%	58.90%
2015	0.1320%	19,613,942	7,852,744	249.77%	64.79%

NOTES

The amounts presented for each fiscal year were determined as of the measurement period year ended that was used for the fiscal year. For PSERS, the measurement period year end is one year prior to the fiscal year end. For SERS, the measurement period year end is six months prior to the fiscal year end.

CHANGES IN ACTUARIAL ASSUMPTIONS

The following actuarial assumptions were changed during 2021-2022 for the PSERS plan:

- Actuarial cost method – Entry Age Normal – level precent of pay.
- Investment return – 7.00% includes inflation at 2.50%.
- Salary growth – effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The following actuarial assumptions were changed in the actuarial valuation for the December 31, 2022 measurement date for the SERS plan:

- Actuarial cost method – Entry Age.
- Investment rate of return – 6.875% net of manager fees including inflation.
- Projected salary increases – average of 4.55% with range of 3.30%-6.95% including inflation.
- Asset valuation method – fair (market) value.
- Inflation – 2.50%.
- Mortality rate – projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement for retirees, beneficiaries, and survivors and rates determined by SERS' actuaries using actual SERS experience for pre-retirement active members.

Schedule of College's Contributions – Pension Plans
Last 10 Fiscal Years

Public School Employees' Retirement System (PSERS)

For the Fiscal Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	College's covered payroll · fiscal year	Contributions as a percentage of covered payroll
2024	$ 910,390	$ 910,390	$ -	$ 5,314,395	17.13%
2023	968,732	968,732	-	5,804,644	16.69%
2022	993,813	993,813	-	5,829,446	17.05%
2021	978,138	978,138	-	5,776,186	16.93%
2020	1,048,555	1,048,555	-	6,260,618	16.75%
2019	1,104,870	1,104,870	-	6,810,376	16.22%
2018	1,434,602	1,434,602	-	6,659,678	21.54%
2017	883,862	883,862	-	6,002,302	14.73%
2016	705,816	705,816	-	5,547,636	12.72%
2015	502,931	502,931	-	4,440,330	11.33%

State Employees' Retirement System (SERS)

For the Fiscal Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	College's covered payroll · fiscal year	Contributions as a percentage of covered payroll
2024	$ 1,884,784	$ 1,884,784	$ -	$ 5,211,756	36.16%
2023	1,905,848	1,905,848	-	5,537,217	35.41%
2022	1,723,995	1,723,995	-	5,204,924	33.12%
2021	1,845,926	1,845,926	-	5,650,000	32.67%
2020	2,020,730	2,020,730	-	6,208,926	32.55%
2019	2,182,733	2,182,733	-	6,895,104	31.66%
2018	2,501,280	2,501,280	-	6,881,612	36.35%
2017	1,793,907	1,793,907	-	6,373,459	28.15%
2016	1,585,540	1,585,540	-	6,710,811	23.63%
2015	1,345,915	1,345,915	-	6,867,547	19.60%

Schedule of Changes in the College's Total OPEB Liability and Related Ratios – College Plan

COLLEGE PLAN

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	$ 42,271	$ 51,156	$ 64,252	$ 62,080	$ 110,015	$ 105,756
Interest	29,058	17,552	42,651	41,823	34,610	33,723
Differences between expected and actual experience	136,313	-	(479,162)	42,830	77,527	-
Changes in assumptions	(83,750)	(65,776)	(25,547)	-	-	733
Benefit payments	(51,965)	(55,098)	(121,481)	(126,963)	(60,998)	(59,812)
Net change in total OPEB liability	71,927	(52,166)	(519,287)	19,770	161,154	80,400
Total OPEB liability - beginning	693,918	746,084	1,265,371	1,245,601	1,084,447	1,004,047
Total OPEB liability - ending	$ 765,845	$ 693,918	$ 746,084	$ 1,265,371	$ 1,245,601	$ 1,084,447
Covered employee payroll	$ 49,998,994	N/A	$ 40,311,304	N/A	$ 42,840,625	N/A
Total OPEB liability as a percentage of covered employee payroll	1.53%	N/A	1.85%	N/A	2.91%	N/A

NOTES

This schedule will be expanded to show multi-year trends as additional information becomes available in the future.

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For the College Plan, the measurement period year-end is one year prior to the fiscal year-end.

HARRISBURG AREA COMMUNITY COLLEGE

Schedule of College's Proportionate Share of Net OPEB Liability - PSERS

For the Fiscal Year Ended June 30	College's Proportion of the Net OPEB Liability (Asset)	College's Proportionate Share of the Net OPEB Liability (Asset)	Commonwealth's Proportionate Share of the Net OPEB Liability (Asset) associated with the College	Total Share of the Net OPEB Liability (Asset)	College's Covered Payroll - measurement period	College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.0189%	$ 341,944	$ 341,944	$ 683,888	$ 5,745,528	5.95%	7.22%
2023	0.0198%	364,473	364,473	728,946	5,829,446	6.25%	6.86%
2022	0.0204%	483,501	483,501	967,002	5,776,186	8.37%	5.30%
2021	0.0223%	481,834	481,834	963,668	6,260,618	7.70%	5.69%
2020	0.0247%	525,330	525,330	1,050,660	6,810,376	7.71%	5.56%
2019	0.0247%	514,879	514,879	1,029,758	6,659,678	7.73%	5.56%
2018	0.0225%	458,418	458,418	916,836	6,002,302	7.64%	5.73%

NOTES

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For PSERS, the measurement period year-end is one year prior to the fiscal year-end.

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

Schedule of College's OPEB Contributions - PSERS

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll - Fiscal Year	Contributions as a Percentage of Covered Employee Payroll
2024	$ 17,466	$ 17,466	$ -	$ 5,314,395	0.30%
2023	21,053	21,053	-	5,745,528	0.36%
2022	23,288	23,288	-	5,829,445	0.40%
2021	23,807	23,807	-	5,776,186	0.41%
2020	26,331	26,331	-	6,260,617	0.42%
2019	28,811	28,811	-	6,810,376	0.42%
2018	37,515	37,515	-	6,659,678	0.56%

NOTES

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

OTHER SUPPLEMENTARY INFORMATION

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Expenses by Functional Classification - Primary Institution
Years Ended June 30, 2024 and 2023

2024

Functional Classification	Natural Classification							
	Salaries and Wages	Fringe Benefits	Supplies and Other Expense	Professional and Purchased Services	Utilities	Depreciation	Scholarships	Total
Instruction	$ 36,915,295	$ 11,859,110	$ 2,332,159	$ 422,382	$ 33,026	$ -	$ 19,957	$ 51,581,929
Public Support	223,434	36,118	72,136	668,297	-	-	-	999,985
Academic Support	5,509,768	870,985	1,524,849	71,868	-	-	132,672	8,110,142
Student Services	9,655,839	4,166,242	756,032	736,517	-	-	232,996	15,547,626
Institutional Support	10,517,141	4,632,294	6,193,524	3,605,641	-	-	48,933	24,997,533
Operation and Maintenance of Plant	3,013,598	1,851,661	2,792,378	1,331,822	2,764,972	13,724,180	-	25,478,611
Student Aid	161,371	-	38,396	-	-	-	12,946,010	13,145,777
Auxiliary Enterprises	1,119,275	431,990	5,175,945	4,054	-	-	-	6,731,264
Total operating expenses	$ 67,115,721	$ 23,848,400	$ 18,885,419	$ 6,840,581	$ 2,797,998	$ 13,724,180	$ 13,380,568	146,592,867
Interest expense								1,722,019
Total expenses								$ 148,314,886

2023

Functional Classification	Natural Classification							
	Salaries and Wages	Fringe Benefits	Supplies and Other Expense	Professional and Purchased Services	Utilities	Depreciation	Scholarships	Total
Instruction	$ 39,268,336	$ 11,081,351	$ 3,059,439	$ 284,528	$ 38,109	$ -	$ -	$ 53,731,763
Public Support	231,668	34,344	85,204	602,446	-	-	-	953,662
Academic Support	5,484,873	1,650,245	(277,936)	73,415	-	-	112,229	7,042,826
Student Services	9,721,043	4,162,445	856,662	551,963	-	-	518,176	15,810,289
Institutional Support	9,940,743	4,485,459	3,842,395	3,265,607	553	-	83,670	21,618,427
Operation and Maintenance of Plant	3,032,510	1,687,230	3,530,184	951,815	2,974,430	14,101,201	-	26,277,370
Student Aid	102,985	-	51,509	-	-	-	12,296,832	12,451,326
Auxiliary Enterprises	1,049,536	417,615	5,618,852	4,743	-	-	-	7,090,746
Total operating expenses	$ 68,831,694	$ 23,518,689	$ 16,766,309	$ 5,734,517	$ 3,013,092	$ 14,101,201	$ 13,010,907	144,976,409
Interest expense								2,104,563
Total expenses								$ 147,080,972

HARRISBURG AREA COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
Years Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Passed-Through to Subrecipients	Cash Receipts/ (Repayments)	Accrual Basis Expenditures
U.S. DEPARTMENT OF EDUCATION					
Student Financial Aid Cluster					
FSEOG Program	84.007	N/A	$ -	$ 619,631	$ 634,781
FWS Program	84.033	N/A	-	130,654	186,152
PELL Program	84.063	N/A	-	19,534,391	19,353,629
Direct Student Loan Program	84.268	N/A	-	28,014,244	27,522,927
Total Student Financial Aid Cluster			-	48,298,920	47,697,489
Higher Education Institutional Aid					
Title III SIP	84.031A	P031A230006	-	5,399	62,799
Passed through Pennsylvania Department of Education					
COVID-19 - Governors Emergency Education Relief Fund II	84.425C	257-21-007	-	-	4,151
Vocational Educational Grants Perkins III	84.048A	FA-381-22-0006	-	(25,787)	-
Vocational Educational Grants Perkins III	84.048A	FA-381-23-0008	-	1,006,271	1,036,781
Total Vocational Educational Grants Perkins III			-	980,484	1,036,781
Total passed through Pennsylvania Department of Education			-	980,484	1,040,932
Passed through Tri-County Opportunities Industrialization Center, Inc.					
Adult Basic Education	84.002	064-22-0030A	-	47,858	74,864
Total U.S. Department of Education			-	49,332,661	48,876,084
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps	94.006	N/A	-	26,215	28,365
U.S. DEPARTMENT OF LABOR					
Passed through Pennsylvania Department of Labor and Industry					
Trade Adjustment Assistance	17.245	TC-22519-11-60-A-42	-	18,322	18,322
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Pennsylvania Department of Human Services					
Administration for Children and Families - Keystone Education Yields Success (KEYS)	93.558	SAP 410008087	-	208,885	255,743
Passed through Shippensburg University					
Strengthening and Aligning Higher Education Systems for Early Care and Education Professions	93.434	PTE 90TP0038	-	292,048	283,284
Total U.S. Department of Health and Human Services			-	500,933	539,027
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Pennsylvania Department of Human Services					
Supplemental Nutrition and Assistance Program (SNAP) - Keystone Education Yields Success (KEYS)	10.561	SAP 410008087	-	333,204	375,285
COVID -19 SNAP - State American Rescue- Keystone Education Yields Success (KEYS)	10.561	SAP 410008087	-	271,625	222,569
			-	604,829	597,854
Passed through Rural Utilities Services					
Rural Utilities Service (RUS) Distance Learning and Telemedicine Grant (DLT)	97.025	PA-TF-1	-	-	48,052
Total U.S. Department of Agriculture			-	604,829	645,906
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through the City of Philadelphia					
PA Urban Search and Rescue Task Force	97.025	PA-TF-1	-	289,806	264,858
U.S. DEPARTMENT OF Treasury					
County of York: Group Violence Intervention	21.027	PCCD Grant ID: 36732	-	13,392	20,157
NATIONAL SCIENCE FOUNDATION					
Passed through Jefferson Community College and Technical College					
Geospatial Tech Center of Excellence: Growing the Workforce	47.076	DUE-1700496-HACC	-	29,882	-
Total Federal Financial Assistance			$ -	$ 50,816,040	$ 50,392,719

NOTE 1 GENERAL INFORMATION

The accompanying Schedule of Expenditures of Federal Awards presents the activities of the federal financial assistance programs of the Harrisburg Area Community College (the College). Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION/ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal awards activity of the College and the expenditures recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of the College. It is not intended to, and does not, present either the financial position, changes in net position, or cash flows of the College. The financial activity for the aforementioned awards is reported in the College's statement of revenues, expenses, and changes in net position. In certain programs, the expenditures reported in the financial statements may differ from the expenditures reported in the Schedule of Expenditures of Federal Awards, due to grant or contract budget limitations.

NOTE 4 FEDERAL DIRECT STUDENT LOANS

The College is only responsible for the performance of certain administrative duties and is not considered the lender with respect to the student loan programs, and accordingly, these loans are not included in its financial statements and it is not practical to determine the balance of loans outstanding to students and former students of the College under these programs. The amount reported on the Schedule of Expenditures of Federal Awards represents new loan advances during the year.

NOTE 5 INDIRECT COST RATE

The College has not elected to use the 10% de minimus indirect cost rate for its federal programs.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Harrisburg Area Community College
Harrisburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harrisburg Area Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Harrisburg Area Community College's basic financial statements, and have issued our report thereon dated November 19, 2024. The financial statements of the Harrisburg Area Community College Foundation, the blended component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Harrisburg Area Community College Foundation.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
November 19, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Board of Trustees
Harrisburg Area Community College
Harrisburg, Pennsylvania

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Harrisburg Area Community College's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Harrisburg Area Community College's major federal programs for the year ended June 30, 2024. Harrisburg Area Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Harrisburg Area Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards.* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Harrisburg Area Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Harrisburg Area Community College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harrisburg Area Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Harrisburg Area Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Harrisburg Area Community College's internal control over compliance. Accordingly, no such opinion is expressed.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be material weaknesses.

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

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

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
November 19, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒No
- Significant deficiencies identified? ☐ Yes ☒ None reported

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

- Any audit compliance findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516? ☐ Yes ☒No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Student Financial Aid Cluster:
84.007	FSEOG Program
84.063	PELL Program
84.033	FWS Program
84.268	Direct Student Loan Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Section II – Financial Statement Findings

A. Significant Deficiencies or Material Weaknesses in Internal Control

None Noted

B. Compliance Findings

There were no compliance findings related to the financial statements audit required to be reported.

Section III – Federal Award Findings and Questioned Costs

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None Noted

B. **Compliance Findings**

There were no compliance findings related to the major federal awards as required to be reported in accordance with the Uniform Guidance by 2 CFR Section 200.516.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Findings related to financial statements:

None

Finding Reference:	**2023-001**
Statement of Condition:	Two student's enrollment changes were not properly reported to NSLDS and this was not initially addressed by the College. Seven students enrollment changes were not timely reported. These students were enrolled during the Spring 2023 semester and the changes were not reported to NSLDS until September 2023, beyond the 60 day reporting requirement.
Status:	Corrective action was taken.
Finding Reference:	**2023-002**
Statement of Condition:	The URL noted above was not reported to the Department of Education for publication in the cash management contracts database.
Status:	Corrective action was taken.