NEW ISSUE
BOOK-ENTRY-ONLY **Rating: (See "RATINGS" herein)**

In the opinion of Bond Counsel, interest on the 2014 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein, and interest on the 2014 Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the individual and corporate alternative minimum taxes. However, under the Code, such interest may be subject to certain other taxes affecting corporate holders of the 2014 Bonds. Under the laws of the Commonwealth of Pennsylvania, the 2014 Bonds are exempt from personal property taxes in Pennsylvania, and interest on the 2014 Bonds is exempt from Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For a more complete discussion, see "TAX MATTERS" herein.

Delaware County Community College

$14,410,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds
(Delaware County Community College Project)
Series of 2014

Dated: Delivery Date **Due:** October 1, As Shown on Inside Front Cover
Interest Payable: April 1 and October 1 **First Interest Payment:** April 1, 2015

The State Public School Building Authority (the "Authority") is issuing its $14,410,000 College Revenue Bonds (Delaware County Community College Project), Series of 2014 (the "2014 Bonds").

Interest on the 2014 Bonds is payable on April 1 and October 1, in each year until maturity or earlier redemption, commencing April 1, 2015. The 2014 Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). So long as Cede & Co. is the registered owner, reference herein to the registered owner of 2014 Bonds shall mean Cede & Co. and not the Beneficial Owners (as such phrase is defined herein). DTC will act as securities depository of the 2014 Bonds, and purchases of beneficial ownership interest in the 2014 Bonds will be made in book-entry form only, in denominations of $5,000 or integral multiples thereof. Beneficial Owners will not receive certificates representing their interest in the 2014 Bonds. See "THE 2014 BONDS — Book-Entry-Only System" herein.

Principal or redemption price of and interest on the 2014 Bonds will be paid through The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"). So long as Cede & Co. is the registered owner, the Trustee will pay the principal or redemption price of, and interest on the 2014 Bonds to DTC, which will remit such principal or redemption price and interest to its Participants (as such phrase is defined herein), which will in turn remit such principal or redemption price and interest to the Beneficial Owners of the 2014 Bonds, as more fully described herein. See "THE 2014 BONDS — Book-Entry-Only System" herein.

The 2014 Bonds are subject to redemption prior to maturity as more fully described herein.

The scheduled payment of principal of and interest on the 2014 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2014 Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

ASSURED GUARANTY® MUNICIPAL

The 2014 Bonds are being issued by the Authority on behalf of Delaware County Community College (the "College") to finance a project consisting of: (i) the acquisition, construction, improvement, renovation, furnishing, equipping and installation of certain alterations and improvements, personal property and/or fixtures at the College's Delaware County and Chester County campuses; and (ii) the payment of certain costs of issuing and insuring the 2014 Bonds, as more fully described herein.

THE 2014 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, ARE SECURED UNDER THE PROVISIONS OF THE INDENTURE, AS SUCH TERM IS DEFINED HEREIN, AND ARE PAYABLE SOLELY FROM THE FUNDS HELD UNDER THE INDENTURE AND FROM PAYMENTS TO BE MADE BY THE COLLEGE PURSUANT TO THE LOAN AGREEMENT, AS SUCH TERM IS DEFINED HEREIN, ENTERED INTO BETWEEN THE AUTHORITY AND THE COLLEGE, AS DESCRIBED HEREIN. NEITHER THE PRINCIPAL OF THE 2014 BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL: CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY NOR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER; CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF; CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF; OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2014 Bonds are offered for the delivery when, as and if issued by the Authority and received by the Underwriter, subject to prior sale, withdrawal or modification of such offer without notice and to the receipt of the approving opinion of Saul Ewing LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Buchanan Ingersoll & Rooney PC, Pittsburgh, Pennsylvania; for the Underwriter by its counsel, Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania; and for the College by its counsel, James R. Flick, Esquire, Media, Pennsylvania. It is expected that the 2014 Bonds will be available for delivery through The Depository Trust Company, New York, New York on or about September 30, 2014.

RBC Capital Markets®

Dated: September 18, 2014

$14,410,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds (Delaware County Community College Project)
Series of 2014

MATURITY SCHEDULE

Dated: Date of delivery
Interest Payable: April 1 and October 1

Due: October 1, as shown below
First Interest Payment: April 1, 2015

Due October 1	Principal Amount	Interest Rate	Price	Yield	CUSIP Number†
2015	$ 500,000	2.000%	101.741	0.260%	85732MXS1
2016	510,000	2.000	102.944	0.520	85732MXT9
2017	525,000	4.000	109.225	0.880	85732MXU6
2018	550,000	4.000	110.910	1.200	85732MXV4
2019	570,000	3.000	107.103	1.520	85732MXW2
2020	590,000	4.000	112.101	1.860	85732MXX0
2021	605,000	2.000	99.287	2.110	85732MXY8
2022	620,000	2.375	99.602	2.430	85732MXZ5
2023	645,000	5.000	118.800	2.640	85732MYA9
2024	675,000	5.000	119.270	2.780	85732MYB7
2025	710,000	5.000	117.740*	2.940	85732MYC5
2026	745,000	5.000	117.172*	3.000	85732MYD3
2027	785,000	5.000	116.233*	3.100	85732MYJ0
2028	820,000	3.375	98.843	3.480	85732MYE1
2029	845,000	3.375	97.977	3.550	85732MYK7
2030	875,000	3.500	98.551	3.620	85732MYF8
2031	910,000	3.500	97.739	3.680	85732MYL5
2032	940,000	3.625	98.503	3.740	85732MYG6
2033	975,000	3.650	98.115	3.790	85732MYM3
2034	1,015,000	3.750	98.751	3.840	85732MYH4

*Priced to the first optional call date of October 1, 2024.

† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. None of the Authority or the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

STATE PUBLIC SCHOOL BUILDING AUTHORITY

(Commonwealth of Pennsylvania)
1035 Mumma Road
Wormleysburg, Pennsylvania 17043

BOARD MEMBERS

Honorable Thomas W. Corbett
Governor of the Commonwealth of Pennsylvania.. President

Honorable Michael J. Folmer
Designated by the President Pro Tempore of the Senate .... Vice President

Honorable Andrew E. Dinniman
Designated by the Minority Leader of the Senate.. Vice President

Honorable Warren E. Kampf
Designated by the Speaker of the House of Representatives .... Vice President

Honorable Robert M. McCord
State Treasurer.. Treasurer

Honorable Sheri L. Phillips
Secretary of General Services.. Secretary

Honorable Anthony M. DeLuca
Designated by the Minority Leader of the House of Representatives .... Board Member

Honorable Eugene A. DePasquale
Auditor General... Board Member

Honorable Carolyn C. Dumaresq
Acting Secretary of Education... Board Member

EXECUTIVE DIRECTOR
Robert Baccon

AUTHORITY COUNSEL
(Appointed by the Office of General Counsel)
Buchanan Ingersoll & Rooney PC
Pittsburgh, Pennsylvania

BOND COUNSEL
(Appointed by the Office of General Counsel)
Saul Ewing LLP
Philadelphia, Pennsylvania

TRUSTEE
The Bank of New York Mellon Trust Company, N.A.
Pittsburgh, Pennsylvania

COLLEGE COUNSEL
James R. Flick, Esquire
Media, Pennsylvania

UNDERWRITER
RBC Capital Markets, LLC
Philadelphia, Pennsylvania

UNDERWRITER'S COUNSEL
Eckert Seamans Cherin & Mellott, LLC
Philadelphia, Pennsylvania

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2014 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The information set forth herein has been obtained from the State Public School Building Authority (the "Authority"), Delaware County Community College (the "College") and other sources which are believed to be reliable, but the information provided by sources other than the Authority is not guaranteed as to accuracy or completeness by the Authority. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

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

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the 2014 Bonds or the advisability of investing in the 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the caption "BOND INSURANCE" and "APPENDIX C - Specimen Municipal Bond Insurance Policy".

No dealer, broker, salesperson or other person has been authorized by the Authority, the Underwriter or the College to give any information or to make any representations with respect to the 2014 Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy any of the 2014 Bonds in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

The 2014 Bonds are not and will not be registered under the Securities Act of 1933, or under any state securities laws, and the Indenture (as defined herein) has not been and will not be qualified under the Trust Indenture Act of 1939 because of available exemptions therefrom. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of the Official Statement.

TABLE OF CONTENTS

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This Table of Contents is for convenience of reference only and does not list all of the subjects in this Official Statement. In all instances references should be made to the complete body of the Official Statement to determine the subjects discussed herein.

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Official Statement
$14,410,000
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(Commonwealth of Pennsylvania)
College Revenue Bonds
(Delaware County Community College Project)
Series of 2014

INTRODUCTION

This Introduction is qualified in its entirety by the more detailed information appearing in the Official Statement and in the Appendices hereto.

General

This Official Statement of the State Public School Building Authority (the "Authority"), including the cover page and the Appendices attached hereto, sets forth certain information relating to the Authority, the Delaware County Community College, a Pennsylvania community college (the "College") and the Authority's $14,410,000 College Revenue Bonds (Delaware County Community College Project), Series of 2014 (the "2014 Bonds"). The 2014 Bonds are being issued pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), and a resolution duly adopted by the Authority on July 17, 2014 (the "Resolution").

The 2014 Bonds are being issued and secured in accordance with the terms and provisions of a Trust Indenture, dated as of October 1, 1993, between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented from time to time (the "Original Indenture"), as further amended and supplemented by an Eighth Supplemental Trust Indenture, dated as of September 15, 2014 (the "Eighth Supplemental Indenture" and, together with the Original Indenture, the "Indenture").

The Authority has heretofore issued its College Revenue Bonds (Delaware County Community College Project), Series of 2005, dated as of March 1, 2005 (the "2005 Bonds") in the original aggregate principal amount of $11,800,000 (of which $6,580,000 remained outstanding as of June 30, 2014); its College Revenue Bonds (Delaware County Community College Project), Series of 2008, dated as of December 1, 2008 (the "2008 Bonds") in the original aggregate principal amount of $59,635,000 (of which $49,855,000 remained outstanding as of June 30, 2014); its College Revenue Bonds (Delaware County Community College Project), Series of 2011 (the "2011 Bonds") in the original aggregate principal amount of $2,000,000 (of which $1,539,099 remained outstanding as of June 30, 2014); and its College Revenue Bonds (Delaware County Community College Project), Series of 2013 (the "2013 Bonds") in the original aggregate principal amount of $2,400,000 (of which $2,160,000 remained outstanding as of June 30, 2014). The 2005 Bonds, the 2008 Bonds, the 2011 Bonds, the 2013 Bonds, the 2014 Bonds and any Additional Bonds (as defined in the Indenture) are herein referred to as the "Bonds."

The Authority

The Authority is a body corporate and politic created in 1947 by the Act. Article XIX-A of the Public School Code, Act of July 1, 1985, P.L. 103, No. 31, Section 1 et seq., as amended (the "Community College Act"), provides that community colleges in the Commonwealth of Pennsylvania (the "Commonwealth") shall be eligible for financing under the Act.

The College

The College is a public, two-year, comprehensive community college serving the residents of Delaware and Chester Counties, Pennsylvania. The College was founded in 1967 and is one of the largest community colleges in the Commonwealth. See "APPENDIX A-CERTAIN INFORMATION REGARDING DELAWARE COUNTY COMMUNITY COLLEGE" for a more complete description of the College.

Security for the 2014 Bonds

Under the Indenture, the 2014 Bonds will be secured on a parity basis with the 2005 Bonds, the 2008 Bonds, the 2011 Bonds, the 2013 Bonds and any Additional Bonds (as defined in the Indenture) by the Revenues received by the Authority from the College, as such phrase is defined in the Indenture.

The net proceeds of the 2014 Bonds will be loaned to the College by the Authority pursuant to a Loan and Security Agreement, dated as of October 1, 1993, between the Authority and the College, as amended and supplemented from time to time (the "Original Loan Agreement"), as further amended and supplemented by an Eighth Supplemental Loan Agreement, dated as of September 15, 2014 (the "Eighth Supplemental Loan Agreement" and, together with the Original Loan Agreement, the "Loan Agreement"). Under the Eighth Supplemental Loan Agreement, the Authority will, among other things, lend to the College for deposit with the Trustee the net proceeds of the 2014 Bonds for the purpose of financing the 2014 Project (as hereinafter defined). See "PURPOSE OF THE 2014 BONDS" herein for a description of the 2014 Project and the uses of the proceeds of the 2014 Bonds. The obligations of the College under the Loan Agreement are general obligations of the College, and the full faith and credit of the College are pledged to the payment of all sums due thereunder. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2014 BONDS" herein.

THE 2014 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, ARE SECURED ON A PARITY BASIS WITH THE 2005 BONDS, THE 2008 BONDS, THE 2011 BONDS, THE 2013 BONDS AND ANY ADDITIONAL BONDS WHICH MAY BE ISSUED UNDER THE PROVISIONS OF THE INDENTURE TO THE EXTENT SET FORTH IN THE INDENTURE AND ARE PAYABLE SOLELY FROM CERTAIN FUNDS HELD UNDER THE INDENTURE AND FROM PAYMENTS TO BE RECEIVED BY THE AUTHORITY PURSUANT TO THE LOAN AGREEMENT, DESCRIBED HEREIN. NEITHER THE PRINCIPAL OR PREMIUM, IF ANY, OF THE 2014 BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL: CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY NOR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF WITHIN

THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER; CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF; CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY OR THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF; OR BE DEEMED TO BE A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE AUTHORITY HAS NO TAXING POWER.

Continuing Disclosure

In order to enable RBC Capital Markets, LLC (the "Underwriter") to comply with the requirements of Rule 15c2-12(b)(5) (the "Rule") promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended, the College will covenant in a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to provide, among other things, annual financial information and operating data and disclosure with regard to the occurrence, if any, of certain events with respect to the 2014 Bonds. The Continuing Disclosure Agreement will constitute a written undertaking for the benefit of the owners, from time to time, of the 2014 Bonds. See "CONTINUING DISCLOSURE" herein.

Availability of the Documents

The general descriptions of various legal documents set forth in this Official Statement do not purport to be comprehensive or definitive and reference should be made to each document for complete details of all terms and conditions thereof. Copies of the current drafts of all documents referred to herein are available for inspection during normal business hours at the principal corporate trust office of the Trustee, in Pittsburgh, Pennsylvania. All statements herein are qualified in their entirety by the terms of each such document. Any capitalized terms or phrases used herein and not defined have the respective meanings set forth in the Indenture.

Forward-Looking Statements

Information included in this Official Statement includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties (the "Forward-Looking Statements"). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of the College and on information currently available to such management; and (ii) generally identifiable by words such as "estimates", "expects", "anticipates", plans", "believes" and similar expressions.

Events that could cause future results to differ materially from those expressed or implied by Forward-Looking Statements or historical experience include the impact or outcome of many factors that are described throughout this Official Statement. Although the ultimate impact of such factors is uncertain, they may cause future performance to differ materially from results or outcomes that are currently sought or expected by the College.

PURPOSE OF THE 2014 BONDS

The 2014 Project

Proceeds of the 2014 Bonds, together with certain other available funds, will be applied to provide the funds necessary to undertake the costs of a project (the "2014 Project"), consisting of: (i) the acquisition, construction, improvement, renovation, furnishing, equipping and installation of certain alterations and improvements, personal property and/or fixtures at the College's Delaware County and Chester County campuses; and (ii) the payment of certain costs of issuing and insuring the 2014 Bonds.

The proposed project is intended to meet future program needs of students of the College. Specifically the proposed project includes the following: (a) renovations to: (i) classroom spaces, (ii) the student success and testing centers, (iii) the campus life area, (iv) cafeteria/dining areas; (b) replacement of a domestic water line; (c) upgrades to a sprinkler/fire suppression system; (d) installation of ADA compliant restrooms; and (e) the installation of a welding lab.

Sources and Uses of Funds

The following tables set forth the expected sources and uses of funds for the accomplishment of the 2014 Project:

Estimated Sources:	
Principal Amount of 2014 Bonds	$14,410,000.00
Net Original Issue Premium	764,940.85
Total Sources	$15,174,940.85
Estimated Uses:	
Deposit to 2014 Construction Account	$15,000,000.00
Costs and Expenses of Issuance[1]	174,940.85
Total Uses	$15,174,940.85

[1] Includes Underwriter's Discount, legal fees, Trustee fees, rating agency fees, printing costs, municipal bond insurance premium, and miscellaneous expenses.

THE AUTHORITY

The Authority and the Pennsylvania Higher Educational Facilities Authority (PHEFA) share an executive, fiscal and administrative staff, and operate under a joint administrative budget. The Authority serves as a conduit issuer for school districts, community colleges and technical schools and intermediate units in the Commonwealth and has issued, and will continue to issue, multiple series of bonds to finance various projects. Each such series of bonds is or will be secured by instruments and collateral separate and apart from other series, including the 2014 Bonds.

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

The 2014 Bonds are being issued by the Authority on behalf of the College pursuant to the Act, the Indenture and the Resolution, which approved the projects financed thereunder. The Authority has and will continue to issue bonds/notes for other eligible institutions and projects in the Commonwealth. None of the revenues of the Authority pledged to payment of the Bonds will be pledged to the payment of such other bonds/notes.

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

Robert Baccon
Executive Director

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

David Player
Comptroller & Director of Financial Management

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

Beverly M. Nawa
Administrative Officer

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

THE 2014 BONDS

Description of the 2014 Bonds

The 2014 Bonds will be dated as of the date of issuance and will be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof. The 2014 Bonds will bear interest at the rates set forth on the inside cover page hereof, payable initially on April 1, 2015, and thereafter semiannually on April 1 and October 1 of each year until maturity or prior redemption, and will mature on the dates and in the amounts set forth on the inside cover page hereof. The 2014 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the 2014 Bonds. Purchases of the 2014 Bonds will be made in book-entry form, in denominations of $5,000 or any integral multiple thereof. Beneficial Owners will not receive certificates representing their interest in the 2014 Bonds purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2014 Bonds. See "Book-Entry-Only System" below.

Principal or redemption price of and interest on the 2014 Bonds will be paid through The Bank of New York Mellon Trust Company, N.A., as Trustee and Paying Agent. So long as DTC or its nominee, Cede & Co., is the registered owner, such payments will be made directly to DTC or Cede & Co., as its nominee. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

Transfers of beneficial ownership of the 2014 Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC Participants, as appropriate.

Book-Entry-Only System

Unless otherwise noted, the information contained below has been provided by The Depository Trust Company ("DTC"). Neither the Authority, the College nor the Underwriter make any representation as to the accuracy or the completeness of such information. The Beneficial Owners of the 2014 Bonds should confirm the following information with DTC or the DTC Participants.

NEITHER THE AUTHORITY, THE TRUSTEE, THE COLLEGE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2014 BONDS UNDER THE INDENTURE; (C) THE SELECTION BY DTC OR ANY DIRECT

PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2014 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE 2014 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF 2014 BONDS; OR (F) ANY OTHER MATTER RELATING TO DTC OR THE BOOK-ENTRY ONLY SYSTEM.

DTC, New York, New York, will act as securities depository for the 2014 Bonds. The 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2014 Bond certificate will be issued for each maturity and interest rate of each series of the 2014 Bonds, each in the aggregate principal amount thereof, and will be deposited with DTC or held by the Trustee.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC. National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The Authority, the Trustee, the College and the Underwriter undertake no responsibility for and make no representation as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the 2014 Bonds under the DTC system must be made by or through Direct Participants which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the 2014 Bonds are in the book-entry system, redemption notices will be sent to DTC. If less than all of the 2014 Bonds within a maturity and interest rate of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity and interest rate to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2014 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates representing the 2014 Bonds are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the 2014 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources believed to be reliable, but neither the Authority, the College nor the Underwriter take any responsibility for the accuracy thereof.

Transfers and Exchanges

The 2014 Bonds may be transferred or exchanged upon the registration books maintained by the Trustee only upon delivery thereof to the Trustee, accompanied by a written instrument of transfer in form and with signature guarantee satisfactory to the Trustee, duly executed by the owner thereof or his attorney-in-fact or legal representative, and subject to such additional requirements as may be established by the Trustee. No transfer or exchange of any 2014 Bonds shall be effective until entered on the registration books maintained by the Trustee. The Trustee will not be required to issue, exchange or transfer any 2014 Bonds (i) during a period beginning at the opening of business fifteen (15) days before the date of mailing of notice of redemption of 2014 Bonds selected for redemption and ending at the close of business on the day of such mailing; or (ii) for any 2014 Bonds so selected for redemption in whole or in part.

No service charge will be made to the owners of 2014 Bonds for any exchange or transfer, except for the payment of taxes or other governmental charges that may be imposed in relation thereto.

Redemption Provisions

The 2014 Bonds are subject to redemption as follows:

Optional Redemption: The 2014 Bonds maturing on or after October 1, 2025 are subject to optional redemption prior to maturity by the Authority, at the direction of the College, on or after October 1, 2024 in whole at any time or in part from time to time, and if in part, within a maturity by lot, in any order of maturity, selected by the College, at a redemption price equal to 100% of the principal amount of the 2014 Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

Extraordinary Redemption: The 2014 Bonds are subject to extraordinary redemption by the Authority prior to maturity, at the direction of the College, in whole or in part at any time, in any order of maturity selected by the College, and within any maturity by lot, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date fixed for redemption, but only in the event that all or a portion of the 2014 Project is condemned or sold under threat of condemnation, damaged or destroyed and it is determined by the College that repair or reconstruction is not desirable, practical or financially feasible, from and to the extent of insurance proceeds, condemnation awards, or proceeds of sale in lieu of condemnation payable to the College and deposited for such purposes with the Trustee.

Notice of Redemption

Notice of redemption shall be given not more than 60 nor fewer than 30 days prior to the redemption date by mailing a copy of the redemption notice, by first class mail (postage prepaid) to the registered owners of the 2014 Bonds to be redeemed in whole or in part at their registered addresses. Failure to mail any such notice or any defect in the mailed notice or the mailing thereof as it affects any 2014 Bonds shall not affect the validity of any proceedings for the redemption of other 2014 Bonds for which notice shall be duly given. No further interest shall accrue on the principal of any 2014 Bonds called for redemption after the redemption date if notice of redemption has been duly mailed and redemption moneys have been deposited with or made available to the Trustee on or prior to the date set for redemption and the holders of such 2014 Bonds shall have no rights with respect to such 2014 Bonds except to receive payment of the redemption price thereof and unpaid interest accrued to the date fixed for redemption.

So long as DTC or its nominee is the registered owner of the 2014 Bonds, the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

So long as DTC or its nominee is the Bondholder, any failure on the part of DTC or failure on the part of the nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner as affected, shall not affect the validity of the redemption.

So long as DTC or its nominee is the Bondholder, if less than all of the 2014 Bonds of any one maturity shall be called for redemption, the particular 2014 Bonds or portion of 2014 Bonds of such maturity to be redeemed shall be selected by lot by DTC in such manner as DTC may determine. If a 2014 Bond is of a denomination in excess of five thousand dollars ($5,000), portions of the principal amount in the amount of five thousand dollars ($5,000) or any multiple thereof may be redeemed.

If at the time of mailing the notice of redemption the Authority shall not have deposited with the Trustee, or the Trustee shall not have transferred, money sufficient to redeem the 2014 Bonds called for redemption, such notice shall state that it is conditional, that is, subject to such deposit or transfer not later than the close of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited or transferred.

THE AUTHORITY, THE COLLEGE, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE 2014 BONDS (I) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2014 BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE 2014 BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE COLLEGE, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE 2014 BONDS WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, ANY 2014 BONDS, (III) THE DELIVERY OF ANY NOTICE BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2014 BONDS, OR (V) ANY OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

Debt Service Requirements

At June 30, 2014, the College's total principal amount of outstanding long-term indebtedness was $60,134,099. The following table sets forth the College's fiscal year debt service requirements after the issuance of the 2014 Bonds.

Fiscal Year *(June 30)*	Debt Service on Outstanding Bonds	Series 2014 Principal	Series 2014 Interest	Series 2014 Total	Total Bond Debt Service
2015	$6,016,697		$269,046	$269,046	$6,285,743
2016	5,991,232	$500,000	530,119	1,030,119	7,021,351
2017	5,985,017	510,000	520,019	1,030,019	7,015,036
2018	5,981,927	525,000	504,419	1,029,419	7,011,346
2019	5,966,837	550,000	482,919	1,032,919	6,999,756
2020	5,959,472	570,000	463,369	1,033,369	6,992,841
2021	5,953,598	590,000	443,019	1,033,019	6,986,617
2022	4,752,869	605,000	425,169	1,030,169	5,783,038
2023	4,632,150	620,000	411,756	1,031,756	5,663,906
2024	4,384,875	645,000	388,269	1,033,269	5,418,144
2025	4,378,375	675,000	355,269	1,030,269	5,408,644
2026	4,374,125	710,000	320,644	1,030,644	5,404,769
2027	4,371,625	745,000	284,269	1,029,269	5,400,894
2028	4,365,500	785,000	246,019	1,031,019	5,396,519
2029	2,546,875	820,000	212,556	1,032,556	3,579,431
2030	2,547,500	845,000	184,459	1,029,459	3,576,959
2031	2,542,875	875,000	154,888	1,029,888	3,572,763
2032	2,542,750	910,000	123,650	1,033,650	3,576,400
2033	2,536,875	940,000	90,688	1,030,688	3,567,563
2034		975,000	55,856	1,030,856	1,030,856
2035		1,015,000	19,031	1,034,031	1,034,031
TOTAL[1]	$85,831,177	$14,410,000	$6,485,430	$20,895,430	$106,726,607

SECURITY AND SOURCE OF PAYMENT FOR THE 2014 BONDS

General

The 2014 Bonds will be issued as Additional Bonds under the Indenture and will be equally and ratably secured under the Indenture on a parity with the 2005 Bonds, the 2008 Bonds, the 2011 Bonds, the 2013 Bonds and any Additional Bonds (as such phrase is defined in the Indenture) which may be issued in the future under the Indenture.

Under the Eighth Supplemental Loan Agreement, the Authority will loan the proceeds of the 2014 Bonds to the College and the College will agree to repay such loan in such amounts and at such times as will provide sufficient funds to meet the debt service requirements on the 2014 Bonds. The College will deliver its general obligation promissory note (the "Note") to the

[1] Columns may not total due to rounding

Authority evidencing its obligations under the Eighth Supplemental Loan Agreement with respect to the 2014 Bonds.

The 2014 Bonds will be secured under the Indenture by an assignment and pledge to the Trustee of the rights of the Authority under the Note and the Loan Agreement (except the right to indemnification and the right to payment of certain fees and expenses and the right to receive notices). The timely payment of all payments due under the Loan Agreement and the Note is the general unconditional obligation of the College. The payments due under the Loan Agreement and the Note are payable from the College's general revenues from whatever source derived, including local sponsor and Commonwealth reimbursement payments (see "Local Sponsor Obligation" and "Commonwealth Obligation" below). The College has no taxing power.

Neither the general credit of the Authority nor the credit or taxing power of the United States of America, the Commonwealth or any political subdivision thereof is pledged for the payment of the principal or redemption price of, or the interest on, the 2014 Bonds; nor shall any of the 2014 Bonds be deemed general obligations of the Authority or obligations of the United States of America, the Commonwealth or of any political subdivision thereof. The Authority has no taxing power.

Community College Sponsorship

Under the Community College Act, all community colleges must be supported by a local sponsor, which in the College's case consists of the following twelve school districts (the "Sponsors"), all located in the County of Delaware, Pennsylvania: Chester Upland, Garnet Valley (Township of Bethel residents only), Haverford Township, Interboro, Radnor Township, Ridley, Rose Tree Media, Southeast Delco, Springfield, Upper Darby, Wallingford-Swarthmore (Borough of Rutledge and Borough of Swarthmore residents only) and William Penn.

Taxing Power Regarding Community Colleges

The Community College Act authorizes, but does not require, the governing body of each school district or municipality comprising a local sponsor of a community college to levy taxes annually on subjects of taxation as prescribed by law in such school district or municipality for the purpose of establishing, operating and maintaining a community college. The tax levy authorized is in excess of and beyond the millage fixed or limited by law, subject to certain limiting provisions of the Community College Act.

Local Sponsor Obligation

Operating Costs: The Community College Act stipulates that the Community College Plan of the local sponsors (the "Plan") shall set forth a financial program for the operation of the community college. The Plan shall provide that the local sponsor shall appropriate or provide to the community college certain amounts on account of the community college's annual operating costs. For the fiscal year ended June 30, 2013, tuition revenue and fees accounted for approximately 57.94% of operating costs of the College, the local sponsors' contribution accounted for approximately 8.74%, student fees and other receipts accounted for approximately 20.73% and approximately 25.97% was provided by the Commonwealth. The remaining 2.07%

of operating costs of the College is accounted for by interest earnings and miscellaneous payments.

Capital Expenses: As to capital expenses of community colleges, the Community College Act states that the Plan shall provide that certain funds on account of annual capital expenses shall be appropriated or provided by the local sponsor to the community college. In the fiscal year ended June 30, 2013, the local sponsors of the College provided approximately 19.79% of the total College's total capital expenses during such period.

Commonwealth Obligation

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

Operating Costs: Starting July 1, 2005, operating revenues derived from the Commonwealth changed from an allocated formula based on a basic subsidy for each eligible full-time equivalent (FTE) student enrolled to appropriation that is allocated proportionally based on the College's total eligible FTE's as compared to all FTE's in the Community College System. For the year ended June 30, 2013, the total average payment per eligible full-time equivalent College student was $1,533. A full-time equivalent student is defined as the total number of (1) all students taking more than twelve credits; (2) the number of credits taken by all part-time students divided by twelve; (3) the number of clock hours taken by non-credit students divided by 180; and (4) all student taking more than 180 clock hours of non-credit instruction. For the fiscal year ended June 30, 2013, the Commonwealth's contribution on account of operating costs was approximately 25.97% of total operating costs.

Capital Expenses: The Community College Act provides that the Commonwealth will pay to a community college on behalf of the local sponsor on account of its capital expenses (including debt service) an amount equal to one-half of such college's annual capital expenses from funds appropriated for that purpose to the extent that said capital expenses have been approved for such reimbursement by the Department of Education. The 2014 Project was approved by the Department of Education on August 6, 2014 at a level of $15,000,000.

All community college subsidies in the Commonwealth are subject to appropriation by the General Assembly. Although the Constitution of the Commonwealth provides that "the General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth", the General Assembly is not legally obligated to appropriate such subsidies and there can be no assurance that it will do so in the future. The allocation formula pursuant to which the Commonwealth distributes such subsidies to the various community colleges throughout the Commonwealth may be amended at any time by the General Assembly. Moreover, the Commonwealth's ability to make such disbursements will be dependent upon its own financial condition. At various times in the past, the enactment of budget and appropriation laws by the Commonwealth has been delayed, resulting in interim borrowing by certain community colleges pending the authorization and payment of Commonwealth aid. Consequently, there can be no assurance that financial support from the Commonwealth for community colleges, either for capital projects or education programs in general, will continue at present levels or that moneys will be payable to a community college if indebtedness of such community college is not paid when due. See "APPENDIX B - DELAWARE COUNTY COMMUNITY COLLEGE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013" of this Official Statement for additional information.

Direct Payment of Commonwealth Appropriations to Trustee

Provisions of the Community College Act require that, should any community college fail to make its required debt service payment with respect to a general obligation note such as the Note, the Secretary of Education is required to withhold from such community college out of any subsidy payment of any type due such community college from the Commonwealth, an amount equal to the debt service payment owed by such community college. Any amounts so withheld are payable to the Trustee under the Indenture. Based on the College's maximum anticipated debt service after issuance of the 2014 Bonds and the amount of Commonwealth operating and capital expense appropriations presently budgeted by the College, the Commonwealth coverage of the College's maximum anticipated debt service would be approximately 3.09 times.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2014 Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the 2014 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2014 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 2, 2014, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Capitalization of AGM

At June 30, 2014, AGM's policyholders' surplus and contingency reserve were approximately $3,654 million and its net unearned premium reserve was approximately $1,850 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 (filed by AGL with the SEC on February 28, 2014);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014 (filed by AGL with the SEC on May 9, 2014); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 (filed by AGL with the SEC on August 8, 2014).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2014 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM or one of its affiliates may purchase a portion of the 2014 Bonds or any uninsured bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such 2014 Bonds or uninsured bonds for investment or may sell or otherwise dispose of such 2014 Bonds or uninsured bonds at any time or from time to time.

AGM makes no representation regarding the 2014 Bonds or the advisability of investing in the 2014 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the caption "BOND INSURANCE".

SUMMARIES OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND THE INDENTURE

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

The Loan Agreement

In connection with the issuance of the 2014 Bonds, the Authority will enter into the Eighth Supplemental Loan Agreement with the College, pursuant to which the Authority will loan the proceeds of the 2014 Bonds to the College. The Eighth Supplemental Loan Agreement requires the College to make loan repayments to the Authority in amounts sufficient to pay the debt service payments on the 2014 Bonds. The obligations of the College under the Eighth Supplemental Loan Agreement will be evidenced by the Note.

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

If the College defaults in its payments on its Note in any fiscal year because its revenues in such fiscal year are insufficient to pay its obligations as they become due and payable, the Authority shall notify the Secretary of the Department of Education of the Commonwealth of such default and request that the Secretary withhold out of any appropriation due the College under the Community College Act an amount equal to the sum or sums owing by the College to the Authority, under the Eighth Supplemental Loan Agreement and the Note, and to pay over to the Trustee, as sinking fund depository for the Note, the amount so withheld.

Assignment of Loan Agreement. The loan payments shall be paid by the College directly to the Trustee under an assignment by the Authority to the Trustee of such payments for the benefit and security of the Bondholders under the Indenture.

Unconditional Obligation. Payment of the principal and interest due under the Note and Eighth Supplemental Loan Agreement and all other sums payable under the Loan Agreement is the general unconditional obligation of the College. The payments are required to be made in full directly to the Trustee, as assignee, when due without delay or diminution for any cause whatsoever, including, without limitation, destruction of the College's facilities, and without right of set-off for default on the part of the Authority under the Loan Agreement.

The Indenture

Limited Obligation of the Authority. The 2014 Bonds are limited obligations of the Authority and are secured by a pledge and assignment to the Trustee of the loan payments and other revenues or income derived by or for the Authority from or with respect to the Eighth Supplemental Loan Agreement and Note and all moneys to be paid over to the Trustee under the provisions of the Indenture. The Authority has no taxing power. Neither the general credit of the Authority nor the general credit nor the taxing power of the United States of America, the Commonwealth or any political subdivision thereof is pledged for the payment of the principal of, or the interest on the 2014 Bonds, nor shall the 2014 Bonds be deemed to be general obligations of the Authority or obligations of the United States of America, the Commonwealth or any political subdivision thereof.

Pledge of Certain Revenues. The Authority in the Indenture has pledged and assigned and granted to the Trustee a security interest in all loan payments, and other sums payable by the

College under the Eighth Supplemental Loan Agreement and the Note, for the benefit and security of the registered owners of the 2014 Bonds.

2014 Construction Account. Under the Eighth Supplemental Indenture a 2014 Construction Account is established (the "2014 Construction Account"). The Trustee shall deposit the amount of proceeds of the sale of the 2014 Bonds and other funds made available for application to the costs of the 2014 Project as set forth in the Indenture. The monies (including investment earnings) on deposit in the 2014 Construction Account shall be transferred and applied by the Trustee to the payment of the costs of the 2014 Project upon receipt by the Trustee of the documents and instruments described in the Indenture.

2014 Revenue Account. All loan payments by the College under the Eighth Supplemental Loan Agreement and Note are required to be deposited in the 2014 Revenue Account within the Revenue Fund established under the Eighth Supplemental Indenture with the Trustee on or before the date of any required or permitted payment of principal of or interest on the 2014 Bonds. Amounts in the Revenue Fund are required to be transferred by the Trustee at the times set forth in the Indenture to the various other funds established under the Indenture.

2014 Debt Service Account. The Trustee shall transfer to the 2014 Debt Service Account within the Debt Service Fund established under the Eighth Supplemental Indenture from moneys in the 2014 Revenue Account, moneys in an amount sufficient to make the interest payments and principal payments (including mandatory sinking fund redemption) on the 2014 Bonds when due.

2014 Rebate Fund. Under the Eighth Supplemental Indenture a 2014 Rebate Fund is established (the "Rebate Fund"). The Authority will periodically and upon retirement of the last of the 2014 Bonds determine the sum required to be deposited in the Rebate Fund, if any, and direct the Trustee to transfer such sum from the other funds and accounts established under the Indenture. The Authority will direct the Trustee to pay to the United States Government the sums on deposit in the Rebate Fund at the times and in the amounts, if any, required by the Internal Revenue Code of 1986, as amended.

Investment of Funds. Moneys held in the funds and accounts established under the Indenture may and, upon instructions of the Authority, at the direction of the College, shall, be wholly or partially deposited and redeposited by the Trustee in Investment Securities with any authorized depository, which deposits, to the extent not insured, shall be secured as provided by the Indenture; or invested or reinvested by the Trustee upon the instruction of the Authority, at the direction of the College, solely in obligations which meet the requirements set forth in the Indenture, subject to limitations provided in the Indenture.

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

Default and Remedies. The Act provides certain remedies to the Bondholders upon the occurrence of an Event of Default under the Indenture.

Under the Indenture, upon the occurrence of an Event of Default: (a) so long as the bond insurance policy insuring the 2005 Bonds is in effect (the “2005 Bond Insurance Policy) and the provider of the 2005 Bond Insurance Policy (the “2005 Bond Insurer”) is not in default of its obligations thereunder, the 2005 Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to holders of the 2005 Bonds or the Trustee for the benefit of the holders of the 2005 Bonds under the Indenture; (b) so long as the bond insurance policy insuring the 2008 Bonds is in effect (the “2008 Bond Insurance Policy) and the provider of the 2008 Bond Insurance Policy (the “2008 Bond Insurer”) is not in default of its obligations thereunder, the 2008 Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to holders of the 2008 Bonds or the Trustee for the benefit of the holders of the 2008 Bonds under the Indenture; and (c) so long as the Policy insuring the 2014 Bonds is in effect and AGM is not in default of its obligations thereunder, AGM shall be entitled to control and direct the enforcement of all rights and remedies granted to holders of the 2014 Bonds or the Trustee for the benefit of the holders of the 2014 Bonds under the Indenture; (d) so long as the bond insurance policy insuring any series of Additional Bonds issued under the Indenture is in effect (each an “Additional Bond Insurance Policy”) and the provider of any such Additional Bond Insurance Policy (each an “Additional Bond Insurer”) is not in default of its obligations thereunder, such Additional Bonds Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of such series of Additional Bonds or the Trustee for the benefit of the holders of such series of Additional Bonds under the Indenture.

For a more complete statement of rights and remedies of the Bondholders and of the limitations thereon, reference is made to the Indenture.

Annual Audit. The Authority covenants that it will keep proper books of record and account in which complete and correct entries shall be made of all transactions of the Authority relating to the 2014 Bonds, and which, at all reasonable times, will be subject to the inspection of the Trustee or its representative duly authorized in writing.

Modifications and Amendments. Amendments to the Indenture are permitted without consent of Bondholders, for certain purposes, including, but not limited to, the addition of covenants and agreements of the Authority, the modification of the Indenture to conform the same with governmental regulations (so long as the rights of Bondholders are not adversely affected thereby), the curing of any ambiguity, defect or inconsistency in the Indenture, and the making of provision for matters which are necessary or desirable and which do not adversely affect the interests of Bondholders. Certain other modifications may be made to the Indenture, but only with consent of owners of not less than 66 2/3% in principal amount of outstanding Bonds issued thereunder.

CONTINUING DISCLOSURE

The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the 2014 Bonds or to any decision to purchase, hold or sell the 2014 Bonds, and the Authority will not provide any such information. The College has undertaken all responsibilities for any continuing disclosure to Bondholders as described below, and the Authority shall have no liability to the Holders of the 2014 Bonds or any other person with respect to Rule 15c2-12(b)(5) (the "Rule") promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended.

In accordance with the requirements of the Rule, the College (being an "obligated person" with respect to the 2014 Bonds, within the meaning of the Rule), will agree to provide certain financial and operating information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, either directly or indirectly through a designated agent as set forth in its Continuing Disclosure Agreement, substantially in the form attached hereto as APPENDIX E.

The College's obligations with respect to continuing disclosure described herein shall terminate upon the prior defeasance, redemption or payment in full of all of the 2014 Bonds or if and when the College is no longer an "obligated person" with respect to the 2014 Bonds, within the meaning of the Rule.

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

At the time of issuance of the 2005 Bonds and the 2008 Bonds, respectively, the College entered into two separate continuing disclosure undertakings (the "Prior Disclosure Undertakings"). The requirements of these Prior Disclosure Undertakings require the College to submit certain information to EMMA 180 days after the end of the College's fiscal year, which occurs on June 30th of each year. Since 2008, the College did not post on EMMA certain statistical information regarding its faculty and staff, full time equivalent students and enrollment data, information regarding student fees and charges and financial aid, in a timely manner.

During this time period the College did file its financial statements and certain other statistical data required to be updated and posted on EMMA by the Prior Disclosure Undertakings. However, the College was one day late in posting its June 30, 2009 financial statements on EMMA and seventeen (17) days late in posting its June 30, 2013 financial statements on EMMA.

The College also did not provide information to EMMA regarding the rating downgrades of two municipal bond insurers providing credit enhancements on the 2005 Bonds and the 2008 Bonds, respectively.

As of the date of this Official Statement, all required information and required event notices have been posted on EMMA. The College has taken steps to ensure timely annual filings of its financial statements and other information required to be disclosed by the Prior Disclosure Undertakings on a going-forward basis.

LITIGATION

There is no litigation of any nature now pending against the Authority or, to the knowledge of the Authority, threatened against the Authority seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2014 Bonds or in any way contesting or affecting the validity of the 2014 Bonds, the Indenture, or any proceedings of the Authority taken in connection with the issuance or sale of the 2014 Bonds, the pledge or application of any moneys or security provided for the payment of the 2014 Bonds, or the existence or powers of the Authority.

There are various legal actions pending against the College which have arisen in the ordinary course of the College's business. In the opinion of management, any adverse decisions will not have a material adverse effect on the College's current business, financial position or operations.

LEGALITY FOR INVESTMENT

Under the Act, the 2014 Bonds are securities in which all officers of the Commonwealth and its political subdivisions and municipal officers and administrative departments, boards and commissions of the Commonwealth, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all other administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who are authorized to invest in bonds or other obligations of the Commonwealth, may properly and legally invest any funds, including capital, belonging to them or within their control. Also, under the Act, the 2014 Bonds are securities which may properly and legally be deposited with, and received by, any Commonwealth or municipal officers or agency of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is authorized by law.

TAX MATTERS

Tax Exemption-Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the 2014 Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the 2014 Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Authority and the College subsequent to the issuance and delivery of the 2014 Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Authority and the College have made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest on the 2014 Bonds (including accrued original issue discount) is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the Authority and the College comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2014 Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the 2014 Bonds to be so includable in gross income retroactive to the date of issuance of the 2014 Bonds. The Authority and the College have covenanted to comply with all such requirements.

Interest on the 2014 Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, under the Code, to the extent that interest on the 2014 Bonds is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other federal tax consequences relating to the 2014 Bonds or the receipt of interest thereon. See discussion of "Alternative Minimum Tax", "Branch Profits Tax", "S Corporations with Passive Investment Income", "Social Security and Railroad Retirement Benefits", "Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations", "Property or Casualty Insurance Company," "Accounting Treatment of Original Issue Discount and Amortizable Bond Premium," "Recent State Tax Developments," and "Reportable Payments and Backup Withholding" below.

In the opinion of Bond Counsel, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, the 2014 Bonds, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the 2014 Bonds or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of the 2014 Bonds are subject to state and local taxation within the Commonwealth of Pennsylvania. Specifically, the 2014 Bonds are exempt from personal property taxes in Pennsylvania and interest on the 2014 Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax.

Alternative Minimum Tax

The Code includes, for purposes of the corporate alternative minimum tax, a preference item consisting of, generally, seventy-five percent of the excess of a corporation's "adjusted current earnings" over its "alternative minimum taxable income" (computed without regard to this particular preference item and the alternative tax net operating loss deduction). Thus, to the extent that tax-exempt interest (including interest on the 2014 Bonds) is a component of a corporate holder's "adjusted current earnings," a portion of that interest may be subject to the alternative minimum tax.

Branch Profits Tax

Under the Code, foreign corporations engaged in a trade or business in the United States will be subject to a "branch profits tax" equal to thirty percent (30%) of the corporation's "dividend equivalent amount" for the taxable year. The term "dividend equivalent amount" includes interest on tax-exempt obligations.

S Corporations with Passive Investment Income

Section 1375 of the Code imposes a tax on the income of certain small business corporations for which an S Corporation election is in effect, and that have "passive investment income." For purposes of Section 1375 of the Code, the term "passive investment income" includes interest on the 2014 Bonds. This tax applies to an S Corporation for a taxable year if the S Corporation has Subchapter C earnings and profits at the close of the taxable year and has gross receipts, more than twenty-five percent (25%) of which are "passive investment income." Thus, interest on the 2014 Bonds may be subject to federal income taxation under Section 1375 of the Code if the requirements of that provision are met.

Social Security and Railroad Retirement Benefits

Under Section 86 of the Code, certain Social Security and Railroad Retirement benefits (the "benefits") may be includable in gross income. The Code provides that interest on tax-exempt obligations (including interest on the 2014 Bonds) is included in the calculation of "modified adjusted gross income" in determining whether a portion of the benefits received are to be includable in gross income of individuals.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions not applicable to the 2014 Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the 2014 Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the 2014 Bonds and any other tax-exempt obligations acquired after August 7, 1986.

Property or Casualty Insurance Company

The Code also provides that a property or casualty insurance company may also incur a reduction, by a specified portion of its tax-exempt interest income, of its deduction for losses incurred.

Accounting Treatment of Original Issue Discount and Amortizable Bond Premium

The 2014 Bonds maturing on October 1 in the years 2021, 2022 and 2028 through, and including, 2034 are referred to as the "Discount Bonds." In the opinion of Bond Counsel, the difference between the initial public offering price of the Discount Bonds set forth on the cover page hereof and the stated redemption price at maturity of each such Bond constitutes "original issue discount," all or a portion of which will, on the disposition or payment of such Bonds, be treated as tax-exempt interest for federal income tax purposes. Original issue discount will be apportioned to an owner of the Discount Bonds under a "constant interest method," which utilizes a periodic compounding of accrued interest. If an owner of a Discount Bond who purchases it in the original offering at the initial public offering price owns that Discount Bond to maturity, that Bondholder will not realize taxable gain for federal income tax purposes upon payment of the Discount Bond at maturity. An owner of a Discount Bond who purchases it in the original offering at the initial public offering price and who later disposes of the Discount Bond prior to maturity will be deemed to have accrued tax-exempt income in a manner described above; amounts realized in excess of the sum of the original offering price of such Discount Bond and the amount of accrued original issue discount will be taxable gain.

Purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on the Discount Bonds. Prospective purchasers of the Discount Bonds should consult their tax advisors regarding the Pennsylvania tax treatment of original issue discount.

The 2014 Bonds maturing on October 1 in the years 2015 through, and including, 2020 and in the years 2023 through, and including, 2027 are hereinafter referred to as the "Premium Bonds." An amount equal to the excess of the initial public offering price of a Premium Bond set forth on the inside cover page over its suited redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning Premium Bonds."

Reportable Payments and Backup Withholding

Under 2006 amendments to the Internal Revenue Code, payments of interest on the 2014 Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Bond is an "exempt person" under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to "backup withholding" at a specified rate prescribed in the Code if the Bond does not file Form W-9 with the payor advising the payor of the Bond's taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The Trustee will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any "reportable payments" during such year and the amount of tax withheld, if any, with respect to payments made on the 2014 Bonds.

OTHER MATTERS

Changes in Federal Law

From time to time, there are presidential proposals, proposals by various federal committees and legislative proposals in Congress that, if enacted, could alter or amend the tax matters referred to herein or adversely affect the marketability or market value of the 2014 Bonds or otherwise prevent holders of the 2014 Bonds from realizing the full benefit of the tax exemption of interest on the 2014 Bonds. Further, such proposals may impact the marketability or market value of the 2014 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2014 Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the 2014 Bonds would be impacted thereby.

Purchasers of the 2014 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2014 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the 2014 Bonds are subject to the approving opinion of Saul Ewing LLP, Philadelphia, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Buchanan Ingersoll & Rooney PC, Pittsburgh, Pennsylvania; for the Underwriter by its counsel, Eckert Seamans Cherin & Mellott, LLC, Philadelphia, Pennsylvania; and for the College by its counsel, James R. Flick, Esquire, Media, Pennsylvania.

UNDERWRITING

The Underwriter is purchasing the 2014 Bonds from the Authority for a purchase price equal to $15,117,300.85 (consisting of the principal amount of the 2014 Bonds plus a net original issue premium of $764,940.85 less Underwriter’s Discount of $57,640.00).

The obligation of the Underwriter to purchase the 2014 Bonds is subject to certain terms and conditions set forth in the contract for purchase of the 2014 Bonds, the approval of certain legal matters by Bond Counsel and certain other conditions. The terms of sale provide that the Underwriter will purchase all the 2014 Bonds, if any are purchased.

The Underwriter may offer and sell the 2014 Bonds to certain dealers (including dealers depositing the 2014 Bonds into investment trusts) and others at prices lower than such initial public offering prices as are stated inside the cover page hereof. The public offering prices may be changed from time to time by the Underwriter.

INDEPENDENT AUDITORS

The financial statements of the College included in “APPENDIX B – DELAWARE COUNTY COMMUNITY COLLEGE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013” of this Official Statement, have been audited by Herbein & Company, Inc., independent certified public accountants. The financial statements audited by

Herbein & Company, Inc. have been included herein in reliance on their report given on the authority of that firm.

RATINGS

Moody's is expected to assign the 2014 Bonds a rating of "A2" (stable outlook) and S&P is expected to assign the 2014 Bonds a rating of "AA" (stable outlook), with the understanding that, upon delivery of the 2014 Bonds, a policy insuring the payment when due of the principal of and interest on the 2014 Bonds will be issued by AGM. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. There is no assurance that such ratings will be maintained for any given period of time or that such ratings may not be lowered or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any such downward change or withdrawal of any such ratings may have an adverse effect on the market price of the 2014 Bonds.

In addition, Moody's has assigned an independent underlying rating of "A1" (stable outlook) to the 2014 Bonds, which rating does not take into account the issuance of the Policy. Such rating reflects only the view of Moody's at the time the rating was given, and neither the Authority, the College nor the Underwriter makes any representation as to the appropriateness of such rating.

The Authority and the College have not undertaken to maintain any rating on the 2014 Bonds.

An explanation of the significance of the ratings given by: (1) Moody's may be obtained from Moody's at 250 Greenwich Street, New York, New York 10007 (212-553-7814); or (2) S&P may be obtained from S&P at 55 Water Street, New York, New York 10041 (212-438-2000).

MISCELLANEOUS

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

The references herein to the Indenture, the Loan Agreement, the Note, the Continuing Disclosure Agreement, the Act, the Community College Act and other materials are only brief summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Copies of the current drafts of the Indenture, the Loan Agreement, the Note and the Continuing Disclosure Agreement are available for inspection. (See "INTRODUCTION - Availability of the Documents" herein.)

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

The information contained in this Official Statement should not be construed as representing all of the conditions affecting the Authority, the College or the 2014 Bonds.

CUSIP identification numbers will be printed on the 2014 Bonds, but neither the failure to print such numbers nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the 2014 Bonds.

The attached APPENDICES A through E are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Authority and the College have authorized the execution and distribution of this Official Statement. The Authority has not assisted in the preparation of this Official Statement, except for the statements under the section captioned “THE AUTHORITY” and the first paragraph under the section captioned “LITIGATION” herein and, except for those sections, the Authority is not responsible for any statements made in this Official Statement. Except for the authorization, execution and delivery of documents required to effect the issuance of the 2014 Bonds, the Authority has not otherwise assisted in the public offer, sale or distribution of the 2014 Bonds.

Accordingly, except as aforesaid, the Authority assumes no responsibility for the disclosures set forth in this Official Statement.

STATE PUBLIC SCHOOL BUILDING AUTHORITY

By: /s/ Robert Baccon
Robert Baccon
Executive Director

Approved by:

DELAWARE COUNTY COMMUNITY COLLEGE

By: /s/ John A. Glavin, Jr.
John A. Glavin, Jr.
Vice President of Administration and Treasurer

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APPENDIX A

CERTAIN INFORMATION REGARDING
DELAWARE COUNTY COMMUNITY COLLEGE

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CERTAIN INFORMATION REGARDING DELAWARE COUNTY COMMUNITY COLLEGE

General

Delaware County Community College was founded in 1967 and has grown to serve more than 28,000 students each year in Delaware and Chester Counties. With five major locations that offer a total of 33 associate degrees, 17 transfer degrees and 33 certificate programs, it has been the convenient college choice for our community for decades. The College's open admissions policy, which assures enrollment for all students who hold a high school diploma or its equivalent, combined with its well-defined standards of academic excellence, ensures that the College provides affordable, accessible, quality education to all students, including the many who would otherwise not have an opportunity for higher education. Our learning resources such as tutoring, advising, counseling, and Learning Commons are provided to support student success at the collegiate level.

In addition to providing associate degree and certificate opportunities, Delaware County Community College has partnered with a number of colleges and universities (see below) to provide seamless transfer opportunities for its students.

Partner Colleges/Universities

Albright College	Chestnut Hill College	Rosemont College
Alvernia University	Eastern University	St. Joseph’s University
Arcadia University	Immaculata University	Strayer University
Cabrini College	La Salle University	Temple University
California University of PA	Neumann University	Villanova University
DeVry: Electrical Engineering & Technical Management	Peirce College	West Chester University
Drexel University	Penn State University	Widener University

Mission Statement

The mission of Delaware County Community College is to facilitate learning by providing quality educational programs and services that are student-focused, accessible, comprehensive and flexible to meet the educational needs of the diverse communities it serves. In doing so, the College will enable its students to develop themselves to the limit of their desires and capabilities and to be successful.

Vision

Delaware County Community College focuses on student success by delivering quality, affordable and responsive educational opportunities in a technologically rich and supportive learning environment. The goal of the College’s educators is to be respected as innovators and partners in meeting the education and training needs of our diverse communities and in developing our students’ potential to compete and contribute in a regional workforce and a global society.

Principles and Culture

The College's programs and courses are based on principles of scholarship, social and ethical values, and lifelong learning. With integrity and respect, the College offers students, faculty and staff a commitment to academic excellence and diversity that improves our entire community.

Delaware County Community College is the center of educational opportunity in Delaware and Chester counties. It welcomes and serves all who seek academic achievement, career advancement or personal fulfillment. The quality, range and accessibility of the College's programs and services reflect and respond to the goals of today's students, the demands of a changing workforce and the needs of our dynamic community.

Standard of Student Success

Student success is the alignment of College-wide policies, programs, activities, philosophies and resources designed for pursuit and completion of students' educational objectives, with special emphasis on traditionally under-served student populations.

Diversity Statement

Delaware County Community College recognizes that diversity enriches life, creates energy and makes us aware that we share a common humanity. The College is committed to fostering a climate that promotes understanding, appreciation and respect for the rights of all people. The College's mission only succeeds to the extent that all members of our community are welcomed and empowered to achieve their personal, educational and career goals.

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Governance Structure

A Board of Trustees consisting of thirteen members appointed by the Delaware County Sponsoring School Districts governs the College. The members of the Board of Trustees are appointed for terms of six years each.

The Bylaws call for the following standing committees: Finance Committee, Facilities Committee, and the Liaison and Sponsorship Committee.

The names, occupations and terms of the current members are set forth below:

NAME	OCCUPATION	TERM EXPIRES
Dr. Corrinne A. Caldwell	Professor of Education, Temple University	2019
Bernice Clark-Dickerson	Housing & Community Development Coordinator for Del. Co.	2020
James P. Gaffney	Vice President Goshen Mechanical Contractors	2015
Dr. Stephen F. Gambescia	Assistant Dean, Drexel University	2017
Dr. David H. Grossman	Director – Civic House, University of Pennsylvania	2017
Donald L. Heller	Assistant Dean, Temple University	2019
Robert McCauley	Principal – Strada, LLC Architects	2019
Neilda Mott	Director – Communities That Care Network Education	2015
Michael L. Ranck	President, Community YMCA of Eastern Delaware County	2015
Ellen T. Reap	Heath Care Administrator	2016
Kevin B. Scott	Partner, Fox Rothschild, LLP	2019
Marilyn A. Spicer	Associate Director for Computing, University of Pennsylvania	2017
Raymond G. Toto	Senior Manager – KBR Downstream	2015
James R. Flick, Esq.	College Solicitor	

The current administration of the College is as follows:

ADMINISTRATION	TITLE
Dr. Jerome S. Parker	President
John A. Glavin	Vice President for Finance and Administration
Dr. Margaret F. Bartow	Provost
Dr. Mary Jo Boyer	Vice President and Vice Provost for Chester County Operations
Kathleen Breslin	Vice President for Institutional Advancement
Frances Cubberley	Vice President for Enrollment Management
Connie L. McCalla	Vice President for Human Resources
George Sullivan	Vice President for Information Technology & CIO

Accreditation

Delaware County Community College is approved as an institution of higher education by the Board of Education of the Commonwealth of Pennsylvania. The College is authorized by the Board to award associate degrees in arts and sciences, as well as appropriate diplomas and certificates. In recognition of our high standards, the College is fully accredited by the Commission of Higher Education of the Middle States Association of Colleges and Secondary Schools.

Invest in Campus Renewal

Over the past five years, the College has improved its facilities with the addition of two new buildings, a new site in Upper Darby, and major renovations/infrastructure improvements to its Marple and Downingtown Campuses. Since July 1, 2008, the College has made over $74,390,000 of capital investment in its facilities. Listed below in Table A-1 is a summary by fiscal year of said investments along with a selection in detail of improvements made during the same period.

TABLE A-1

Investment in Capital Renewal
FY 2009 - 2013

	FY Ending June 30, 2009	FY Ending June 30, 2010	FY Ending June 30, 2011	FY Ending June 30, 2012	FY Ending June 30, 2013	Total
Land & Improvements	161,208	213,942	2,334,126	14,000	414,661	3,137,937
Building & Building Improvements	776,415	51,885,469	1,827,319	6,993,188	483,782	61,966,173
Furniture & Equipment	714,309	2,924,438	823,611	1,507,774	2,981,354	8,951,486
Library Books	83,258	85,406	59,200	49,954	56,992	334,810
Total	1,735,190	55,109,255	5,044,256	8,564,916	3,936,789	74,390,406

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Employees

In August 2012, the College reached a new five year Collective Bargaining agreement with the Pennsylvania State Education Association that represents the instructional staff members (ISM). As a result of this collective bargaining agreement, the early retirement benefit was discontinued. Prior to this, the plan offered to each instructional staff member with a minimum of 30 years of service, a reduced salary for one to five years and continued enrollment in the College's health plan for one to seven years as determined by the ISM's years of service. As of June 30, 2013 the early retirement benefits totaling approximately $1.1 million have been recorded in the College's financial reports. The College's employment information for each of the fiscal years ending June 30, 2009 through June 30, 2013 is set forth in Table A-2 below.

TABLE A-2

Employment Trends
FY 2009- 2013

	FYE June 30,				
	2009	2010	2011	2012	2013
Faculty, full Time	151	143	141	145	141
% Tenured	69%	68%	68%	68%	66%
Faculty, part time	659	659	653	661	731
Administrators, full time	157	150	156	154	167
Administrators, part time	27	29	28	29	39
Support Staff, full-time	151	169	167	165	165
Support Staff, part-time	125	121	117	122	130

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Enrollment

The College's enrollment for each of the fiscal years ending June 30, 2009 through June 30, 2014 is set forth below in Table A-3.

TABLE A-3

Full Time Equivalent (FTE's) Students & Enrollment Data
FY 2009 - 2014
As of July 1, 2014
DATA FOR FYE JUNE 30, 2014 IS UNAUDITED

	FTE		
FYE June 30,	Credit	Non Credit	Total
2009	9,670	711	10,381
2010	10,749	664	11,413
2011	11,111	609	11,720
2012	11,425	561	11,986
2013	11,250	540	11,790
2014	10,924	538	11,462

In Fiscal Year 2013/2014, the College budgeted for a 3% enrollment decline. As of June 30, 2014 enrollments for FY 2013/2014 have exceeded the original projection by .57%. In Fiscal Year 2014/2015, the College budgeted for an additional decline in enrollments of 3%. At present, Fall 2014 enrollments are tracking in keeping with its budget projections.

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Student Tuition and Fees

The following Table A-4 sets forth the tuition and student fees assessed to students in each of the fiscal years ending June 30, 2009 through June 30, 2014.

TABLE A-4

Student Fees and Charges Analysis
FY 2009 - 2014

	FYE June 30,					
	2009	2010	2011	2012	2013	2014
Tuition per credit hour (1)	$ 90.00	$ 93.00	$ 97.00	$ 101.00	$ 104.00	$ 105.00
Tuition per credit hour (2)	180.00	186.00	194.00	202.00	208.00	210.00
Plant Fee (2)	3.00	3.00	3.00	3.00	3.00	3.00
Activity Fee	2.00	2.00	2.00	2.00	2.00	2.00
Application Fee	25.00	25.00	25.00	25.00	25.00	25.00
Records Processing Fee	20.00	20.00	20.00	20.00	20.00	20.00
Instructional Support Fee	28.00 - 38.00	30.00 - 40.00	32.00 - 42.00	35.00 - 45.00	38.00 - 48.00	39.00 - 49.00

(1) Students from Sponsoring School Districts
(2) Students from Non-Sponsoring School Districts

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Statement of Revenues, Expenses and Changes in Net Assets

Table A-5 sets forth a summary of the College's Statement of Revenues, Expenses and Changes in Net Assets.

TABLE A-5
Delaware County Community College
Current Unrestricted Funds
Five Year Analysis

	FYE June 30,					
Revenues	2009	2010	2011	2012	2013	Five Year Summary
Tuition and Fees	$40,846,326	$46,534,615	$50,215,072	$54,115,339	$55,662,882	$ 247,374,234
Governmental appropriations:						
Sponsoring School Districts	5,847,735	6,118,219	6,070,306	6,146,558	6,221,154	30,403,972
Commonwealth	20,830,582	19,314,400	18,888,850	18,788,345	18,862,832	96,685,009
						-
Gifts & private grants	343,306	321,331	321,573	463,878	465,303	1,915,391
Other	2,701,945	1,698,807	1,812,493	1,311,149	1,269,680	8,794,074
Auxiliary services	5,312,711	5,591,042	697,057	700,218	629,725	12,930,753
Total Revenues	75,882,605	79,578,414	78,005,351	81,525,487	83,111,575	398,103,432
Expenditures and Mandatory Transfers						
Educational & General						
Instruction	34,297,629	35,698,865	37,371,807	40,461,624	39,581,064	187,410,989
Academic Support	7,164,216	7,523,969	6,607,835	7,319,841	5,099,631	33,715,492
Student Services	5,949,616	6,005,170	7,819,639	9,250,791	8,992,383	38,017,599
Institutional Support	11,944,491	10,895,254	9,771,861	9,901,015	10,628,995	53,141,616
Operation & Maintenance of Physical Plant	6,648,571	6,284,636	6,131,845	6,042,144	6,102,278	31,209,474
Student Aid	98,319	105,501	108,919	130,550	437,870	881,159
Total Educational & General Expenditures	66,102,842	66,513,395	67,811,906	73,105,965	70,842,222	344,376,330
Mandatory Transfers in (out)	-	-	-	-		-
Total Educational & General Expenditures & Mandatory Transfers	66,102,842	66,513,395	67,811,906	73,105,965	70,842,222	344,376,330
Auxiliary Enterprises	4,375,315	4,675,246	405,000	390,191	303,480	10,149,232
Total Expenditures & Mandatory Transfers	70,478,157	71,188,641	68,216,906	73,496,156	71,145,701	354,525,561
Net increase (decrease) in unrestricted fund balances pre Non-mandatory transfers	5,404,448	8,389,773	9,788,445	8,029,331	11,965,874	43,577,871
Non-mandatory transfers from (to) other funds	(7,866,347)	(707,375)	(318,887)	(12,926,342)	(223,568)	(22,042,519)
Net increase (decrease) in unrestricted fund balances	(2,461,899)	7,682,398	9,469,558	(4,897,011)	11,742,306	21,535,352
Net increase (decrease) in Net Assets	7,996,992	9,340,453	8,722,179	8,108,454	9,691,240	42,754,830

Source: The combining schedule of internal funds used to prepare the College's audited financial statements.

Notes:

FY 2008/09 - Mandatory Transfers in (out) - Board designated to the Renewals and Replacement Fund so as to support future capital expenditures and debt service obligations.
FY 2011/12 - Mandatory Transfers in (out) - Board designated to the Renewals and Replacement Fund so as to support future capital expenditures and debt service obligations.

Management's Analysis of Financial Performance of the College

Operating revenues of the College increased $7,228,970 or 9.5% between fiscal years 2008/2009 and 2012/2013. For the same period of time, tuition and fees increased $14,816,556 or 36.2% reflecting marked increases in enrollments and tuition and fee rates.

Operating expenses increased $4,739,380 or 7.2% between fiscal years 2008/2009 and 2012/2013.

Several factors contributed to the positive operating results in fiscal year 2013. During FY 2012/2013 enrolled credit hours totaled 270,004 which coupled with the 4.4% tuition and fee increase that became effective Fall, 2012 Student Tuition and Fees Revenues increased by $1.5 million from FY 2011/2012. Furthermore, in the aggregate, total Educational and General Expenditures decreased by approximately $2.3 million during FY 2012/2013. The primary drivers for the decreased costs in FY 2012/2013 were directly associated with the elimination of all post-retirement benefits for faculty and staff, reduced part-time faculty salaries, and reduced health care premiums as a result of competitive bidding and plan redesign.

Students of the College receive the following grants, loans and other financial aid in the fiscal years set forth below in Table A-6.

TABLE A-6

Financial Aid Analysis
FY 2009 - 2014

	FYE June 30,					
	2009	**2010**	**2011**	**2012**	**2013**	**2014**
Grants & Scholarships:						as of July 2, 2014
Pell	$7,871,038	$12,874,931	$15,829,652	$19,398,585	$ 20,849,993	$ 20,047,748
PHEAA	$1,161,538	$1,315,667	$1,196,688	$2,001,421	$ 2,344,540	$ 3,326,307
SEOG	$133,967	$130,398	$142,594	$125,226	$ 145,435	$ 131,703
Institutional Grants & Scholarships	$30,496	$279,732	$175,293	$183,055	$ 207,960	$ 216,483
Loans:						
Stafford Loans	$9,545,092	$13,430,988	$21,867,316	$28,784,923	$ 23,330,311	$ 22,832,461
Employment:						
Federal	$282,318	$367,408	$311,853	$333,567	$ 343,787	$ 330,934
Institutional	$103,914	$278,518	$393,392	$445,638	$ 499,954	$ 500,400
Total Number of Students Receiving Financial Aid	5,039	6,404	7,494	8,691	8,911	8,731

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Treasurer's Report

As a result of the positive change in Net Assets, the College's Investible Cash has increased by $25 million in the past five years. As of April 30, 2014, the College's Investible Cash totaled in excess of $70 million. The following Table A-7 sets forth a summary of the College's Treasurer's Report for the past five years for the period ending April 30th.

TABLE A-7

Treasurer's Report - Supplementary Information
Investments
Multi - Year April's

Period	Investment Balance as of April 30th
4/30/2010	45,261,257.00
4/30/2011	59,475,084.00
4/30/2012	68,516,309.00
4/30/2013	65,001,974.00
4/30/2014	70,201,510.00

Funding from Public and Private Grants: FY 2013/14

What follows is a sampling of the Public and Private Grants the College received during FY 2013/14:

The College received $289,980 from the Pennsylvania Department of Education to provide adult literacy services in Delaware and Chester Counties. A renewal grant for 2014-2015 has been approved in the amount of $292,532.

The College received $657,143 in Perkins funding, administered through the Pennsylvania Department of Education's Bureau of Career and Technical Education, to purchase equipment and technology to strengthen additive manufacturing, allied health, and the Computer Numeric Control programs; staffing to support retention, tutoring, and student employment; and nontraditional recruitment and retention. Funding for 2014-2015 has been approved in the amount of $653,292.

The College received $63,800 from the Act 101 program administered through Pennsylvania Higher Education Assistance Agency to improve retention and completion by low income, first generation Pennsylvania students. Funding for 2014-2015 has been requested.

The College's New Choices Career Development Program received $52,994 from the Pennsylvania Department of Labor and Industry to support services to assist vulnerable adults to gain workforce readiness counseling, personal and career assessment, and job placement services. Funding for 2014-2015 has been requested.

The College's New Choices Career Development Program received $39,000 from The Pew Charitable Trusts to support services to assist vulnerable adults to gain workforce readiness counseling, personal and career assessment, and job placement services. Funding for a new three-year period (2014-2017) has been approved in the amount of $115,000.

The College has received $48,619 from the Delaware County Workforce Investment Board to offer PC Workshops to CareerLink clients who need a basic overview to use computers and the Internet to access State services dislocated workers. Funding in the amount of $48,619 has been approved for 2014-2015.

The College has received $138,539 from the Delaware County Workforce Investment Board to provide CareerLink Assessment Services for incoming customers at the Chester and Media CareerLink sites. Services include career and skills assessments, workshops, and personalized service. Funding in the amount of $172,802 has been approved for 2014-2015.

The College has received $200,320 from the Pennsylvania Department of Public Welfare to support the KEYS program (Keystone Education Yields Success) to support retention and completion by DCCC students who receive welfare benefits. Funding in the same amount has been approved for 2014-2015.

The College has received $142,000 for its third year of participation in the US Department of Labor TAACCCT (Trade Adjustment Assistance Community College and Career Training) grant, subcontracted through the Community College of Philadelphia which is serving as fiscal agent on behalf of all fourteen Pennsylvania community colleges included in the grant. The College's three-year allocation of $1,085,505 has been used to support training, industry-recognized certifications, and placement into employment for TAA-eligible dislocated workers in the areas of advanced manufacturing, energy, and allied health. The grant has been used for equipment acquisition, curriculum development, training, and supportive services. An application for the fourth and final round of TAACCCT funding has been submitted to support activities for 2014-2018.

The College has received $700,000 from CCRES to support the College's share of operating costs at the Technical College High School – Pennock's Bridge, which serves as a College location to deliver post-secondary education and training in southern Chester County. Funding in the same amount has been approved for 2014-2015.

Budgetary Procedures

The current College budget development process is driven by the College's Strategic Plan and based on the goal setting and planning process. The Budget Office works with each division so as to define and prioritize its initial estimate of resource needs (including faculty, staff, administration, technology, facilities, and other discretionary resources) for both on-going activities and new institutional renewal activities. Once on-going activities and new institutional renewal activities are defined, the senior management of the College collectively decides how best to allocate its available resources so that the prioritized goals and initiatives for the next fiscal year budget are addressed. Upon the conclusion of the deliberations among the senior management, the President along with the Provost and Vice President for Administration compile a finalized budget for approval by the College's Board of Trustees. Once the College's Board of Trustees approves the Budget it then is presented to the College's Sponsoring School Districts. Presently the College's budget must be approved by eight of its twelve sponsoring school districts and by a majority of sponsoring school district directors.

The FY 2014/2015 operating budget includes a $1 per credit hour tuition increase and a $3 per credit hour increase in the instructional support fee.

The approved operating budget includes a $1.4 million (1.7%) increase in operating costs. Specifically, the College is facing slightly higher costs for salaries. Salaries are projected to increase by approximately $598,000, or 1.3%. Included in this increase are cost-of-living increases.

Along with salaries, the College is anticipating increased costs for utilities, marketing, non-capital computer equipment, and software licenses and user fees. In addition to these costs, the College plans on replacing the academic and administrative computers that were installed 5 years ago as part of the STEM Complex. The cost associated with this replacement is approximately $325,000.

The increases above are expected to be offset by a decrease in fringe benefits, which are anticipated to decrease by 1.8%. This reduction is a combination of significant increased costs in the College's health care premium (+18%) and its share of PSERS off-set by elimination of the expenditures associated with post-retirement benefits.

In the aggregate, pension costs for active employees are projected to decrease by approximately $1.4 million in FY 2014/2015. This reduction is comprised of a 26.4% increase in the College's contribution rate for its PSERS pension program offset by the cost avoidance associated with the elimination of a faculty contract provision related to post-retirement pension benefits.

Outstanding Long Term Indebtedness

A summary of the outstanding principal amount of long term indebtedness as of 6/30/14 is as follows:

Description	**Balance at 6/30/14**
2005 Bonds	$ 6,580,000
2008 Bonds	49,855,000
2011 Bonds	1,539,099
2013 Bonds	2,160,000
Total	$60,134,099

Future Financing Plans

At this time the College plans to fund operating and capital expenditures based on funding from its Sponsoring School Districts, Commonwealth appropriations, and student tuition. The College does not have any plans for the issuance of new bonds over the next five years other than the pending issuance of the 2014 Bonds.

No Material Adverse Changes

At present, the College does not foresee any threats that would materially adversely affect its ability to operate or fulfill its debt obligations. Furthermore, the College has experienced positive fiscal operating results over ten years. The combined effects of increased tuition and fee rates, revenues generated by stable enrollments, continued revenues realized from its enterprise operations, and controlled operating expenditures continue to be the contributing factors to the College's continued success. The management of Delaware County Community College is committed to remaining both academically and financially strong. Management continues to be steadfast in its commitment to the mission of Delaware County Community College which is to facilitate learning by providing quality educational programs and services that are student focused, accessible, comprehensive, and flexible to meet the educational needs of the diverse communities it serves.

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APPENDIX B

DELAWARE COUNTY COMMUNITY COLLEGE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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DELAWARE COUNTY COMMUNITY COLLEGE

FINANCIAL AND COMPLIANCE REPORT

Years Ended June 30, 2013 and 2012

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HERBEIN+COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Delaware County Community College
Media, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of the Delaware County Community College, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Delaware County Community College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Delaware County Community College, as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 18 to the financial statements, effective July 1, 2011, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress and employer contributions - postemployment benefits plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Delaware County Community College's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 expenditures of federal awards 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 December 11, 2013, on our consideration of the Delaware County Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Delaware County Community College's internal control over financial reporting and compliance.

Herbein + Company, Inc.

Reading, Pennsylvania
December 11, 2013

Management's Discussion and Analysis

Academically, Fiscal Year 2012/2013 was an exceptional year for the College. The College's Spring to Fall retention rate was 72%, and as such it was the sixth straight year that this rate was 70% or higher. In the Summer of 2012, the College successfully opened a new teaching site in Upper Darby. In the Fall 2012 semester, the Upper Darby Center provided instruction to 302 credit students accounting for 519 registrations. In Spring 2013, there were 390 enrolled credit students with 637 registrations. In its first year of operations, the College's Upper Darby Center exceeded 5,300 credit hours. Of the 5,300 credit hours instructed at the Upper Darby Center, 21.5% were generated from the College's non-credit student population.

The Learning Commons at the Marple Campus was completed and fully operational in January 2013. This state of the art facility has proven to be a valuable resource for students and has enhanced academic support services by bringing together a number of College services including library, learning assistance, professional and peer tutoring, writing assistance, and supplemental learning programs. Along with the Learning Commons, the College completed the renovations of its large auditorium that included new seating, lighting, and sound. In addition, the College made physical improvements to its Marple Campus Advisement Center and faculty office spaces.

For the fourth year in a row, the Chronicle of Higher Education honored the College as one of the "Great Colleges to Work For". In addition, the College completed its seventh year as a part of Achieving the Dream, a national initiative designed to enhance student success, retention, and program completion.

The academic and student support divisions continued to provide high quality programs, courses, and services to meet the needs and interests of both students and the community. Below are some highlights, additions, and changes to programs at the College during this fiscal year:

- New academic programs that were developed included Computer Science, Emergency Management and Planning, Emergency Medical Technician, English, History, Human Resource Management, Medical Coding and Billing, Paramedic Advanced Life Support, Photography, and Social Work.

- Academic programs that were reviewed and revised included Administration of Justice, Business Administration, Electrical Certificate, Hotel Restaurant Management, Medical Assistant, Psychology, and Sociology.

- Over seventy-five courses were developed or revised during the fiscal year to ensure that their content and curriculum are relevant and current. A sampling of some of the new courses include: Introduction to Organic and Biological Chemistry, History of Photography, Modern Physics, Technology in the Law, Foundations of Discrete Mathematics, and History of Rock and Roll.

- The College has developed partnerships with universities including Widener, Drexel, Temple, and West Chester that have or will result in upper level courses and programs from these institutions being offered on the College's campuses.

- The College's Office of Business Training and Special Programs contracted with a significant number of local companies to provide 239 training and education courses for nearly 2,000 employees.

Financially, the College has experienced another positive fiscal year. The combined effects of increased tuition and fee rates, revenues generated by stable enrollments, continued revenues realized from its enterprise operations, and controlled operating expenditures were several contributing factors to the College's success. In the aggregate, operating expenses, absent of depreciation and financial aid, decreased by more than 1%. The drivers impacting the College's decreased operating expenditures relate to reductions in health and welfare costs and obligations associated with current and future postretirement benefits.

Fiscal Year 2012/2013 Financial Highlights

The College's net position increased $9,691,242 as a result of this year's operations. This amount is net of a depreciation expense of $4,795,521.

During the fiscal year, the College realized revenue from several principal funding sources:

- The College raised credit tuition rates to $104 from $101 per credit hour, and the basic instructional support fee increased by $3 per credit hour.
- During FY 2012/2013, the College's enrolled credit hours totaled 270,004. Furthermore, the ten-year compounded rate of credit hour growth for the College was 2.9%. Since Fiscal Year 2003/2004, enrolled hours have increased by 66,933 credits.
- The appropriation received from the Commonwealth of Pennsylvania totaled $22,206,606.
- The appropriation from the Sponsoring School Districts totaled $8,005,124.

In addition to its principal funding sources, the College recognized the Chester Upland School District as its twelfth Sponsoring School District effective January 1, 2011. It should be noted that to gain entry as the College's twelfth sponsor, the Chester Upland School District agreed to pay a one-time lump sum capital buy-in contribution of $3,943,826. This one-time buy-in amount represented the District's portion of the accumulated value of the College's capital assets. The disposition of the buy-in contribution is as follows:

- The College agreed to use a portion of this one-time capital buy-in contribution to hold constant, in the aggregate, its Fiscal Year 2010/2011 Sponsoring School District Appropriation of $8,005,124 for a period of five years or through June 30, 2016. In addition to the hold constant agreement, the College established a tuition equalization fund to offset the annual reduction in non-sponsoring tuition and fee revenue as a result of Chester Upland becoming a sponsor of the College. The College estimates that the one-time capital buy-in contribution fund of $3,943,826 will be exhausted on or before June 30, 2016. During Fiscal Year 2012/2013, the College recognized $1,178,294 of tuition equalization revenues to offset the annual reduction in non-sponsoring tuition and fee revenue as a result of the Chester Upland Sponsorship Agreement. Since FY 2009/2010, one full year prior to entry date, enrolled credit hours from the Chester Upland School District have increased 218%. In FY 2009/2010, enrolled credit hours from the Chester Upland School District totaled 4,458. In FY 2012/2013, this number totaled 9,737 enrolled credit hours.

Total operating expenses, absent of depreciation and financial aid, decreased by 1.6%. Significant items by object were:

- In the aggregate, salaries and wages increased by 2.4%. This increase resulted from cost of living for the Administrative and Support Staff Groups and the contractual increase for the College's full-time faculty.

- The Pennsylvania State Education Association represents the College's full-time faculty. In Fiscal Year 2012/2013, the College entered into a new five-year contract with the Association. In Fiscal Year 2012/2013, the contracted increase for faculty was approximately 2.07%.

- Benefits (health, medical, and employment related costs) decreased by 18.7%. This decrease is comprised mainly of three factors:

    - Medical - Cost reductions in this area are a direct reflection of a competitive bidding environment among insurance providers and the new five-year collective bargaining agreement with the faculty. In FY 2012/2013, the College's health care costs decreased by approximately $600,000 from what was incurred in the prior fiscal year.

    - Postemployment Benefits – Medical (GASB 45) - As a result of the new collective bargaining agreement in which no future postemployment medical costs are to be incurred, the College made a $1.2 million adjustment to its liability/expenses. On June 30, 2012, the liability for post-retirement health care benefits totaled $3.9 million; as of June 30, 2013, and as a result of our actuarial report, that amount was reduced to $2.7 million.

    - Postemployment Benefits – Other (GASB 27) – Again, as a result of the new collective bargaining agreement, the early retirement pension incentive for the faculty associated with the GASB 27 accounting rules has been eliminated. In prior fiscal years the amount recognized for this benefit exceeded $300,000. During Fiscal Year 2012/2013 no additional costs were incurred for this benefit.

- Utility costs increased by $103,000. This increase is a result of additional costs associated with the opening of the College's new Upper Darby Center and increased usage of our newly renovated Learning Commons space.

- In the aggregate, other supplies and service costs increased by 6.8% or by $890,000. Specific increases follow:

    - Facility Lease increased by approximately $226,000.

    - Software Support and Internet Connectivity fees increased by $186,000.

    - Non-capital Furniture/Furnishings costs increased by approximately $113,000.

    - Printing increased by approximately $93,000.

    - Laboratory Supplies increased by approximately $85,000.

- Minor Construction and Repair costs increased by approximately $84,000.

- Even in a period of significantly reduced rates, the College earned approximately $170,000 in investment income during the year.

- In the past nine years, including the period ending June 30, 2013, net position has increased by $71,350,039.

With the assistance of the Commonwealth of Pennsylvania, its Sponsoring School Districts, its enrollments, and increases in student fees, the College continued to make significant upgrades to its physical plant. What follows is a sampling of capital projects which were completed and/or initiated during the year:

- The College's new educational center in Upper Darby Township was completed and opened for classes July 1, 2012.

- Two student parking lots on the Marple Campus were resurfaced.

- Replacement of the primary electrical equipment on the Marple Campus.

- The construction of a Learning Commons, which was completed on December 31, 2012, brought together the library, learning centers, professional and peer tutors, writing center, and supplemental learning programs to provide enhanced academic support for students.

- Other renovations completed during the year include the complete renovation of the Marple Campus large auditorium along with improvements to the lobby area in the Academic building, new stairs and traffic patterns in both Founders Hall and the Academic building, and faculty office spaces.

Significant year-end capital assets consist of the following:

	2013	**2012**
Land and land improvements	$ 7,373,355	$ 6,958,694
Building and building improvements	109,955,700	109,471,918
Furniture and equipment	22,094,905	19,215,322
Library equipment	1,532,735	1,475,743
Construction in progress	10,150,626	4,953,426
	151,107,321	142,075,103
Less accumulated depreciation	53,664,796	48,971,339
Total	$ 97,442,525	$ 93,103,764

During Fiscal Year 2012/2013, the College received $49,289,250 from various grants and contracts. Approximately 96% of this money was in the form of financial aid funds. The remaining funds were made up of various operating grants, including:

Vocational Education – Community College Allocation	614,846
US Department of Labor – Trade Adjustment - TAACCT	423,126
PDE Adult Education – GED	195,908
Office of Employment and Training – Training & Support Services	182,386
US Department of Health and Human Services Education – KEYS Grant	180,094
ACT 101 State Grant	58,800
PA Department of Labor and Industry – New Choices	48,000

The College presents its financial statements in accordance with the requirements of GASB 35. The following is a description of the statements:

- The Statement of Net Position includes all assets, deferred outflows of resources and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

- The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. The financial reporting model classifies Commonwealth and sponsoring school districts' distributions, appropriations, and gifts as non-operating revenues. Public colleges' dependency on this type of revenue results in an operating deficit. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

- The Statement of Cash Flows presents the information related to cash inflows and outflows summarized by operating, capital and non-capital financing, and investing activities.

The following pages highlight condensed financial information:

Condensed Statement of Net Position
June 30,

	2013	2012
ASSETS		
Current assets	$ 66,773,192	$ 70,351,831
Non Current Assets		
Investments	8,414,000	4,722,000
Capital Assets, net of Depreciation	97,442,525	93,103,764
TOTAL ASSETS	$ 172,629,717	$ 168,177,595
DEFERRED OUTFLOWS OF RESOURCES	515,907	851,394
LIABILITIES		
Current liabilities	$ 18,557,218	$ 19,279,112
Noncurrent liabilities	64,145,859	68,998,572
Total liabilities	82,703,077	88,277,684
NET POSITION		
Net investment in capital assets	33,844,529	26,893,623
Restricted expendable	22,609	30,586
Unrestricted	56,575,409	53,827,096
Total net position	$ 90,442,547	$ 80,751,305

At June 30, 2013, the College had $64.1 million in debt outstanding compared to the $67.1 million and $67.5 million from the prior years ended on June 30, 2012 and 2011, respectively. The table below summarizes the amount by type of debt instrument.

Outstanding Debt, for the Years Ended June 30

	2013	2012	2011
Lease Obligations	$ 129,072	$ -	$ 38,270
Notes Payable	528,587	1,144,681	957,954
Bonds Payable	63,456,244	65,916,854	66,512,067
Totals	$ 64,113,903	$ 67,061,535	$ 67,508,291

During Fiscal Year 2012/2013, the College utilized the bond it sold in April 2013 for the purpose of infrastructure improvements at its Delaware and Chester County campuses. The State Public School Building Authority issued the Bonds on behalf of the College totaling $2,400,000.

Condensed Statement of Revenues, Expenses and Change in Net Position
For the Years Ending June 30,

	2013	2012
Operating revenues		
Tuition and fees	$ 27,797,299	$ 26,882,253
Auxiliary enterprises	629,725	700,219
Grants, gifts and contracts	4,853,235	4,461,756
Other Operating revenues	1,099,863	1,167,936
Total operating revenues	34,380,122	33,212,164
Operating expenses	96,556,730	101,445,712
Operating loss	(62,176,608)	(68,233,548)
Non-operating revenues		
Appropriations	25,097,610	24,974,093
Federal Grants and Contracts	44,436,015	48,345,020
Other non-operating income	170,022	176,447
Other non-operating expense	(3,264,064)	(3,200,241)
Net non-operating revenues	66,439,583	70,295,319
Net income before other revenues	4,262,975	2,061,771
Other Revenues		
Capital appropriations	5,114,120	5,646,242
Capital gifts, grants and transfers	314,147	400,441
Total other revenues	5,428,267	6,046,683
Increase in net position	$ 9,691,242	$ 8,108,454

	2013	2012
Operating Expenses by Function		
Instruction	$ 40,566,510	$ 40,094,333
Academic Support	5,155,324	7,350,462
Student Services	9,806,175	10,005,761
Institutional support	10,632,446	9,907,669
Operating and maintenance of plant	6,102,278	6,042,144
Financial Aid	19,194,996	23,404,300
Depreciation	4,795,521	4,250,852
Auxiliary Services	303,480	390,191
Total operating expenses by functional classification	$ 96,556,730	$ 101,445,712
Operating Expenses by Object		
Salaries and wages	$ 44,031,556	$ 43,009,525
Benefits	13,723,485	16,872,939
Scholarships and Fellowships	18,944,066	23,244,601
Utilities	1,009,062	905,472
Other supplies and services	14,053,040	13,162,323
Depreciation	4,795,521	4,250,852
Total operating expenses by object classification	$ 96,556,730	$ 101,445,712

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due.

The primary cash receipts from operating activities consist of tuition and fees, auxiliary enterprises, and grants and contracts. Major cash outlays in operating activities consist of salaries and benefits and other services.

State and local appropriations are the primary source of non-capital financing activities.

Purchases of capital assets are the primary use of capital financing activities.

Cash flows from investment activities represent income earned on money management accounts and cash invested in the Pennsylvania Local Government Investment Trust (PLGIT).

In December 2012, the College sold a bond. Proceeds from that sale are being used to make infrastructure improvements on the Marple Campus. It should be noted, that included in the FY 2012/2013 Current Assets figure of $66,773,192 is $2,403,841 of Restricted Cash and Cash Equivalents related to 2012 Bond issuance proceeds. Along with the bond sale, the College's Board of Trustees approved the early redemption of the Series 2002 Bond. The early redemption amount totaled $1.4 million.

Statement of Cash Flows Summary
For the Years Ended June 30

	2013	2012
Cash provided by (used for):		
Operating activities	$ (60,583,467)	$ (59,654,014)
Non-capital financing activities	68,161,867	73,427,880
Capital financing activities	(9,621,354)	(10,727,237)
Investing activities	(3,521,978)	(4,545,553)
Net increase (decrease) in cash	(5,564,932)	(1,498,924)
Cash, beginning of year	69,113,802	70,612,726
Cash, end of year	$ 63,548,870	$ 69,113,802

This financial report is designed to provide a general overview of the College's financial position. The success from this and past fiscal years has continued to give the College the ability to make several much needed infrastructure improvements to its Marple and Downingtown Campuses along with providing the opportunity of affordable access to other underserved areas in both Delaware and Chester Counties. No better example of this opportunity is the College's new center in Upper Darby Township of Delaware County. The College invested more than $2 million in its Upper Darby facility and all indicators point to the Center being a resounding success.

In closing, the management of Delaware County Community College is committed to remaining both academically and financially strong. Management continues to be steadfast in its commitment to the mission of Delaware County Community College which is to facilitate learning by providing quality educational programs and services that are student focused, accessible, comprehensive, and flexible to meet the educational needs of the diverse communities it serves. In doing so, the College will enable its students to develop themselves to the limit of their desires and capabilities, and to be successful.

Contacting the College's Financial Management

If you have questions about this report or require additional financial information, contact Delaware County Community College, Administration Office, 901 South Media Line Road, Media, Pennsylvania 19063

John A. Glavin, Jr.
Vice President for Administration and Treasurer

DELAWARE COUNTY COMMUNITY COLLEGE

STATEMENTS OF NET POSITION

	Delaware County Community College June 30		Delaware County Community College Educational Foundation June 30	
	2013	2012	**2013**	2012
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**$ 63,548,870**	$ 69,113,802	**$ 148,874**	$ 118,450
Receivables				
Commonwealth of Pennsylvania	**113,211**	82,336	**-**	-
Federal and state agencies	**1,631,923**	422,752	**-**	-
Student and other, net	**1,043,320**	225,118	**-**	-
Contributions receivable, current portion	**-**	-	**10,263**	52,258
Prepaid expenses	**414,524**	461,950	**-**	-
Other current assets	**21,344**	45,873	**-**	-
TOTAL CURRENT ASSETS	**66,773,192**	70,351,831	**159,137**	170,708
NONCURRENT ASSETS				
Capital Assets:				
Land	**2,042,033**	2,042,033	**-**	-
Depreciable assets, net	**85,249,866**	86,108,305	**-**	-
Construction in progress	**10,150,626**	4,953,426	**-**	-
Capital assets, net	**97,442,525**	93,103,764	**-**	-
Other Assets:				
Contributions receivable, noncurrent, net	**-**	-	**13,369**	15,744
Charitable Lead Annuity Trust Receivable, net	**-**	-	**301,650**	317,829
Investments	**8,414,000**	4,722,000	**5,336,022**	5,236,951
TOTAL NONCURRENT ASSETS	**105,856,525**	97,825,764	**5,651,041**	5,570,524
TOTAL ASSETS	**172,629,717**	168,177,595	**5,810,178**	5,741,232
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	**515,907**	851,394	**-**	-

STATEMENTS OF NET POSITION - CONTINUED

	Delaware County Community College June 30		Delaware County Community College Educational Foundation June 30	
	2013	2012	**2013**	2012
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	**2,706,533**	3,857,819	**210**	950
Accounts payable to the College	**-**	-	**193,046**	225,140
Accrued compensation and benefits	**2,150,580**	3,167,702	**-**	-
Accrued interest payable	**737,182**	776,312	**-**	-
Tuition received in advance	**3,206,592**	3,480,338	**-**	-
Unearned tuition from sponsor	**1,234,281**	900,000	**-**	-
Other current liabilities	**4,449,873**	1,929,435	**-**	-
Capital lease obligation - current	**36,381**	-	**-**	-
Notes payable - current	**528,587**	616,094	**-**	-
Bonds payable, net - current	**3,163,367**	3,476,584	**-**	-
Postemployment benefits obligation	**343,842**	1,074,828	**-**	-
TOTAL CURRENT LIABILITIES	**18,557,218**	19,279,112	**193,256**	226,090
NONCURRENT LIABILITIES				
Unearned tuition from sponsor	**232,054**	1,690,348	**-**	-
Capital lease obligations	**92,691**	-	**-**	-
Notes payable	**-**	528,587	**-**	-
Bonds payable, net	**60,292,877**	62,440,270	**-**	-
Postemployment benefits obligation	**3,528,237**	4,339,367	**-**	-
TOTAL NONCURRENT LIABILITIES	**64,145,859**	68,998,572	**-**	-
TOTAL LIABILITIES	**82,703,077**	88,277,684	**193,256**	226,090
NET POSITION				
Net investment in capital assets	**33,844,529**	26,893,623	**-**	-
Restricted expendable	**22,609**	30,586	**-**	-
Unrestricted	**56,575,409**	53,827,096	**141,380**	178,721
Temporarily restricted, for specified purposes	**-**	-	**4,093,609**	4,017,180
Permanently restricted, assets held in perpetuity	**-**	-	**1,381,933**	1,319,241
TOTAL NET POSITION	**$ 90,442,547**	$ 80,751,305	**$ 5,616,922**	$ 5,515,142

See accompanying notes.

DELAWARE COUNTY COMMUNITY COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Delaware County Community College June 30		Delaware County Community College Educational Foundation June 30	
	2013	2012	**2013**	2012
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowance of $28,217,736 in 2013 and $27,593,296 in 2012)	**$ 27,797,299**	$ 26,882,253	**$ -**	$ -
Auxiliary enterprises	**629,725**	700,219	**-**	-
Federal grants and contracts	**1,732,882**	1,573,232	**-**	-
Commonwealth of PA grants and contracts	**2,592,126**	2,363,137	**-**	-
Other gifts, grants, and contracts	**528,227**	525,387	**1,031,267**	873,393
Investment income	**-**	-	**147,170**	133,829
Realized losses on investments	**-**	-	**(350,063)**	(26,295)
Unrealized gains (losses) on investments	**-**	-	**629,849**	(175,741)
Other operating revenues	**1,099,863**	1,167,936	**-**	-
TOTAL OPERATING REVENUES	**34,380,122**	33,212,164	**1,458,223**	805,186
OPERATING EXPENSES				
Instruction	**40,566,510**	40,094,333	**-**	-
Academic support	**5,155,324**	7,350,462	**-**	-
Student services	**9,806,175**	10,005,761	**207,961**	183,055
Institutional support	**10,632,446**	9,907,669	**-**	-
Operations and maintenance of plant	**6,102,278**	6,042,144	**1,126,945**	1,001,392
Financial aid	**19,194,996**	23,404,300	**-**	-
Depreciation	**4,795,521**	4,250,852	**-**	-
Auxiliary services	**303,480**	390,191	**-**	-
Other expenses	**-**	-	**84,229**	72,510
TOTAL OPERATING EXPENSES	**96,556,730**	101,445,712	**1,419,135**	1,256,957
OPERATING INCOME (LOSS)	**(62,176,608)**	(68,233,548)	**39,088**	(451,771)
NONOPERATING REVENUES (EXPENSES)				
Appropriations:				
Commonwealth of Pennsylvania	**17,294,435**	17,291,953	**-**	**-**
Commonwealth of Pennsylvania - benefits	**1,582,021**	1,510,016	**-**	**-**
Sponsoring school districts	**6,221,154**	6,172,124	**-**	**-**
Federal grants and contracts	**44,436,015**	48,345,020	**-**	-
Investment income	**170,022**	176,447	**-**	**-**
Interest expense on capital asset-related debt	**(3,264,064)**	(3,200,241)	**-**	**-**
NET NONOPERATING REVENUES (EXPENSES)	**66,439,583**	70,295,319	**-**	-
INCOME (LOSS) BEFORE OTHER REVENUES	**4,262,975**	2,061,771	**39,088**	(451,771)
OTHER REVENUES				
State capital appropriations	**3,330,150**	3,813,242	**-**	**-**
Local capital appropriations	**1,783,970**	1,833,000	**-**	**-**
Capital gifts and grants	**314,147**	400,441	**-**	**-**
Long-term gifts and grants	**-**	-	**62,692**	39,987
TOTAL OTHER REVENUES	**5,428,267**	6,046,683	**62,692**	39,987
INCREASE (DECREASE) IN NET POSITION	**9,691,242**	8,108,454	**101,780**	(411,784)
NET POSITION - BEGINNING OF YEAR - RESTATED	**80,751,305**	72,642,851	**5,515,142**	5,926,926
NET POSITION - END OF YEAR	**$ 90,442,547**	$ 80,751,305	**$ 5,616,922**	$ 5,515,142

See accompanying notes.

DELAWARE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

	Delaware County Community College June 30		Delaware County Community College Educational Foundation June 30	
	2013	2012	**2013**	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees	**$ 25,229,185**	$ 26,933,953	$ -	$ -
Nonsponsoring plant fees	**352,154**	348,410	-	-
Grants, gifts, and contracts	**6,571,046**	5,384,488	1,091,817	975,027
Payments to suppliers for goods and services	**(16,141,433)**	(12,473,464)	(1,451,969)	(1,106,117)
Payments to employees	**(60,314,279)**	(58,470,954)	-	-
Payments for financial aid	**(18,009,728)**	(23,244,601)	-	-
Auxiliary enterprises	**629,725**	700,219	-	-
Other receipts	**1,099,863**	1,167,935	147,170	133,829
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**(60,583,467)**	(59,654,014)	(212,982)	2,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Contributions restricted for long-term purposes	**-**	-	62,692	39,987
Federal grants	**43,095,131**	48,376,975	-	-
State appropriations	**18,845,582**	18,878,781	-	-
Local appropriations	**6,221,154**	6,172,124	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	**68,161,867**	73,427,880	62,692	39,987
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital appropriations:				
State appropriations	**3,330,150**	3,813,242	-	-
Sponsor appropriations	**1,783,970**	1,833,000	-	-
Capital grants	**314,147**	400,441	-	-
Purchases of capital assets	**(8,995,691)**	(12,258,296)	-	-
Proceeds from notes payable	**-**	804,037	-	-
Principal paid on capital lease obligation	**(9,519)**	(38,270)	-	-
Principal paid on notes payable	**(616,094)**	(617,310)	-	-
Principal paid on bonds payable	**(4,818,773)**	(3,533,656)	-	-
Proceeds from bonds payable	**2,400,000**	2,000,000	-	-
Interest paid on capital debt	**(3,009,544)**	(3,130,425)	-	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	**(9,621,354)**	(10,727,237)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	**(3,692,000)**	(4,722,000)	(6,855,322)	(134,443)
Proceeds from the sale of investments	**-**	-	7,036,036	25,665
Interest on investments	**170,022**	176,447	-	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	**(3,521,978)**	(4,545,553)	180,714	(108,778)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,564,932)**	(1,498,924)	30,424	(66,052)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**69,113,802**	70,612,726	118,450	184,502
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 63,548,870**	$ 69,113,802	$ 148,874	$ 118,450

See accompanying notes.

DELAWARE COUNTY COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS - CONTINUED

	Delaware County Community College June 30		Delaware County Community College Educational Foundation June 30	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**2013**	2012	**2013**	2012
Operating income (loss)	**$ (62,176,608)**	$ (68,233,548)	**$ 39,088**	$ (451,771)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	**4,795,521**	4,250,852	**-**	-
Bad debt expense	**737,548**	642,789	**-**	-
Other adjustments - tuition reserve	**(1,124,013)**	(1,009,428)	**-**	-
Realized and unrealized (gains) losses on investments	**-**	-	**(279,786)**	202,036
Changes in operating assets and liabilities:				
Accounts receivable	**(1,424,037)**	317,510	**44,371**	73,839
Other receivable	**10,392**	(11,024)	**16,179**	27,795
Prepaid expenses	**47,427**	(131,275)	**-**	-
Other assets	**14,137**	(34,849)	**-**	-
Accounts payable	**(1,151,288)**	1,959,591	**(32,834)**	150,840
Accrued expenses	**(1,017,122)**	134,358	**-**	-
Postemployment benefits obligation	**(1,542,116)**	1,277,151	**-**	-
Tuition received in advance	**(273,746)**	288,202	**-**	-
Other liabilities	**2,520,438**	895,657	**-**	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**$ (60,583,467)**	$ (59,654,014)	**$ (212,982)**	$ 2,739
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Assets acquired via issuance of capital lease obligation	**$ 138,591**	$ -	**$ -**	$ -

Delaware County Community College (the College) is a public comprehensive two-year co-educational institution with its main campus located in Media, Pennsylvania. The College is funded through a diversified financial support system from twelve sponsoring school districts, the Commonwealth of Pennsylvania, and the students.

The College was organized on March 1, 1967 by certain sponsoring school districts of Delaware County and was approved under provisions of the Community College Act of 1963.

The major accounting principles and practices followed by the College are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the College (the primary government) and its component units.

The College used guidance contained in generally accepted accounting principles to evaluate the possible inclusion of related entities (foundations, boards, councils, etc.) within its reporting entity. The criteria used by the College for inclusion are financial accountability and the nature and significance of the relationships. In determining financial accountability in a given case, the College reviews the applicability of the following criteria. The College is financially accountable for:

- Organizations that make up the legal College entity.
- Legally separate organizations if College officials appoint a voting majority of the organizations' governing body and the College is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the College as defined below.

  Impose its will - If the College can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.

  Financial benefit or burden - exists if the College (1) is entitled to the organization's resources; (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization; or (3) is obligated in some manner for the debt of the organization.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Organizations that are fiscally dependent on the College. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the College.

Based on the foregoing criteria, the reporting entity has been defined to include all criteria for which the College is financially accountable or for which there is another significant relationship. Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the College's financial statements are provided in the following paragraphs.

1. Discretely Presented Component Unit

Component units which are not blended as part of the primary government are discretely presented, which entails reporting component unit financial data in a column separate from the financial data of the primary government. The component unit presented in this way is the Delaware County Community College Educational Foundation (Foundation).

Delaware County Community College Educational Foundation - The Foundation is a legally separate, tax-exempt entity, which acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources are restricted for the use or for the benefit of the College. The Foundation's financial statements are discretely presented in the College's financial statements. The financial activity of the Foundation is presented as of and for the years ended June 30, 2013 and 2012.

Complete financial statements for the Foundation may be obtained at the College's Institutional Advancement office.

During the year ended June 30, 2013 and 2012, the College provided accounting and administrative services to the Foundation. The Foundation paid fees of $7,500 for both years ended 2013 and 2012. The Foundation provided institutional support to the College of $1,126,945 and $1,001,392 in 2013 and 2012, respectively. At June 30, 2013 and 2012, $193,046 and $225,140 was due from the Foundation, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Presentation

The College's financial statements are presented on the full accrual basis 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.

C. 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 and all liabilities associated with operations are included on the balance sheet. Net position (i.e. total assets and deferred outflows net of total liabilities) are segregated into net investment in capital assets; restricted expendable; 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, loss on the disposal of assets, and extraordinary expenses are recorded as operating expenses. Appropriations, gifts, interest income, capital grants, gains 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.

D. Budgetary Information

Budgetary Accounting

The College adopts flexible annual operating and capital budgets. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The current operating budget details the College's plans to earn and expend funds for charges incurred for operation, maintenance, certain interest and general functions, and other charges for the year. The capital budget details the plan to receive and expend cash-basis capital contribution fees, special assessments, grants, borrowings, and certain revenues for capital projects.

All unexpended and unencumbered appropriations in the operating budget lapse at the end of the year. No appropriation for a capital project in the capital budget lapses until the purpose for which the funds were appropriated has been accomplished or abandoned.

Management submits a proposed budget to the College's Board of Trustees and the budget is adopted prior to July 1. Budgetary revisions are approved by the board during the fiscal year. During the year, management is authorized to transfer budgeted amounts between line items within the College's divisions.

E. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position

1. Cash and Investments

The College considers all demand deposits, time deposits, with less than one year to maturity, money market funds, and overnight repurchase agreements as cash equivalents. Investments purchased are stated at fair value. Investments received as gifts are recorded at their fair value or appraised value as of the date of the gift.

2. Accounts Receivable

Accounts receivable, students and other, are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the College's historical losses and periodic review of individual accounts. Bad debt expense is netted against student tuition and fees. Bad debt expense was $737,548 and $642,789 in 2013 and 2012, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position - continued

3. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The costs of prepaid items are recorded as expenses when consumed rather than when purchased.

4. Capital Assets, Depreciation, and Amortization

The College generally capitalizes assets with cost of $2,500 or more as purchase and construction outlays occur. Assets purchased or constructed with long-term debt may be capitalized regardless of the threshold established. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. In the case of donations, the college values these capital assets at the estimated fair value of the item at the date of its donation.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	20 - 45 years
Building improvements	15 years
Furniture, fixtures, and equipment	5 - 20 years
Network equipment	4 - 5 years
Library books	7 years

Interest costs incurred during the construction phase of capital assets are capitalized when incurred on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position - continued

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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/expenditure) until then. The College has one item that qualifies for reporting in this category. The deferred charge on refunding reported in statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

6. Unearned Revenue

Revenues that are received but not earned are reported as unearned revenues in the statement of net position. Unearned revenues arise when resources are received prior to the incurrence of qualifying expenses. The College considers both tuition received in advance and unearned revenue from sponsorship as unearned revenue. In subsequent periods, when both revenue recognition criteria are met, or when the College has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

7. Net Position

The College maintains the following net asset classifications:

Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted - expendable - Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the College or by the passage of time.

Unrestricted - Unrestricted net position may be designated for specific purposes by the College's Board of Trustees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position - continued

7. Net Position - continued

Reserve Practice - In November 2009, the College's Board of Trustees adopted a Reserve Practice. The Reserve Practice is comprised of the following cost elements:

- Ten percent of the College's Current Unrestricted Fund operating expenses. This figure was based on the prior year's audited financial statements approved by the Board of Trustees. This amount totaled $7,245,359 and $6,870,880 for the years ended June 30, 2013 and 2012, respectively.

- One year debt service obligations. This figure is based on the College's debt service obligations as stated in the current year budget. In this instance, the College's debt service obligations as stated in the June 30, 2013 and 2012 budget were $7,199,683 and $7,371,336, respectively

- One year noncancelable facility lease obligations. The figure is based on the College's noncancelable facility leases as stated in the current year budget. In this instance, the College's noncancelable facility leases as stated in the current year budgets were $1,390,579 and $1,198,193, respectively.

- The Reserve Balance as of June 30, 2013 and 2012, totaled $15,835,621 and $15,440,409, respectively. The Reserve will be funded 50 percent or $7,917,810 for 2013 and $7,720,205 for 2012 by cash and investments. The other requirement of the Reserve Practice states that funds will reside in the Unrestricted Net Position.

8. Use of Restricted and Unrestricted Resources

Sometimes the College will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

When both restricted and unrestricted resources are available for expenses, the decision as to which resources to use first is left to the discretion of the College.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Revenues and Expense

1. Operating and Nonoperating Revenues and Expenses

The College distinguished *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The principal operating revenues of the College are charges to students for tuition and related fees. The College also recognizes as operating revenue the federal, state and local grant and contract revenue received to be used for paying operating expenses. Operating expenses include the cost of instruction, academic and institutional support, student services, operations and maintenance of plant and depreciation and amortization and student aid. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. Tuition Revenue Recognition

Tuition revenue is recognized when instruction is provided. A receivable is recognized when a student application is processed and an invoice submitted, with revenue recognition deferred until the instruction starts.

3. Scholarship Discounts and Allowances

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

4. Compensated Absences

College employees are entitled to vacation based upon the employment agreement established upon hiring. Full-time administrators accrue 14.67 hours of vacation per month to a maximum of 264 hours (over a period of 18 months) that may be carried over into the calendar year. Vacation time for regular part-time support staff is accrued, per pay period, based on the number of hours actually worked to a maximum of 30 hours that may be carried over into the calendar year. Full-time support staff accrues monthly vacation based on the hours worked per week and years of service to a maximum of 18 months at their accrual rate that may be carried over into the calendar year. Faculty is awarded vacation days as determined by the terms of an applicable agreement of the collective bargaining agreement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Revenues and Expense - continued

4. Compensated Absences - continued

All regular full-time employees accumulate sick leave at the rate of one day per full month of service with the College. Sick leave may be accumulated up to a maximum of 100 days. All regular part-time employees accumulate sick leave based on the number of hours actually worked. Sick leave may be accumulated up to a maximum of 60 hours. Faculty accrue sick leave at the rate of 10 days per academic year or twelve days for 12-month faculty up to a maximum of 100 days.

2. Other Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Component Unit - Foundation

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Significant accounting policies followed by the Foundation are presented below.

1. Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Also included are cumulative losses on endowment investments in excess of undistributed income.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that will be maintained in perpetuity by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Component Unit - Foundation - continued

2. Cash and Cash Equivalents

The Foundation considers all highly-liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

3. Investments

Investments in mutual funds are reported at fair value on the balance sheet. Adjustments to reflect increases or decreases in fair value are reported in the statement of revenues, expenses, and changes in net assets as unrealized gains and losses. All realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor-imposed stipulations.

4. Promises to Give (Contributions Receivable)

Contributions receivable represent unconditional promises to give from various contributors including individuals, local businesses, and state and local governments. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is to be received. Amortization of the discount is included in contribution revenue. Management has evaluated the outstanding balances for collectability in accordance with the Foundation’s policy and believes that the balance of contributions receivable is fully collectible.

5. Distributions to College (Institutional Support)

The Foundation provides institutional support to College related activities. Expenses related to this support are recognized in the statements of activities upon approval of distribution by the Foundation board. Amounts payable to the College as of year-end represent unconditional promises from the Foundation.

6. Donor-Restricted Gifts - Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Component Unit - Foundation - continued

7. Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code; accordingly, no provision for income taxes is required in the accompanying financial statements.

The Foundation adopted the guidance related to Accounting for Uncertainty in Income Taxes (ASC 740-10). This guidance prescribes a threshold of more-likely-than-not for recognition and derecognition of tax provisions taken or expected to be taken in a tax return. It also recognizes related guidance on measurement, classification, interest and penalties, and disclosure. The implementation of this guidance had no impact on the Foundation's statement of financial position or statement of activities. The Foundation does not believe that there are any unrecognized tax benefits or costs that should be recorded. Tax years 2009 and forward remain open for examination by the applicable taxing authorities.

NOTE 2 - PRIMARY FUNDING SOURCES

General state legislation establishing community colleges provides for the reimbursement of certain college expenses from Commonwealth funds appropriated for this purpose. For the 2013 and 2012 fiscal years, the Community Colleges in the Commonwealth of Pennsylvania were funded by a fixed appropriation. Each college's share of the appropriation is allocated based on its prorated percentage of total Community College eligible full-time equivalent enrollments in credit and noncredit courses generated throughout the Commonwealth's Community College system. Capital expenditures, including debt services and net rental costs, are reimbursed to the extent appropriated. Any excesses or deficiencies between provisional payments and the final annual appropriation calculation in annual Commonwealth funding are reflected as a payable to or receivable from the Commonwealth.

In addition to the Commonwealth of Pennsylvania appropriation, the College receives funding from sponsoring school districts throughout Delaware County. Effective January 1, 2011, the College recognized the Chester Upland School District as its twelfth Sponsoring School District. In keeping with prior years, the College's operating lease, and debt service budgets need to be approved and adopted by a vote of two-thirds of all of the constituent boards. The vote of any constituent board is determined by a majority vote of all of the school board members. Each sponsoring district's proportionate share of the College's operating, lease, and capital budget is based on the ratio of market valuation of real estate to the total market valuation of all real estate of all of the sponsoring school districts. Each year the real estate market valuations for the sponsoring school districts are determined by using the most recent figures from the State Tax Equalization Board. In fiscal year 2012/2013 the sponsoring school districts' funding totaled $8,005,124, the same as last year.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments at June 30 consisted of the following:

	June 30	
	2013	2012
Cash on hand	**$ 3,400**	$ 3,400
Carrying amount of deposits	**33,843,927**	35,894,041
Carrying amount of money market mutual fund	**2,403,841**	5,290,935
PLGIT - money market mutual fund	**1,742,702**	2,281,426
PLGIT - various certificates of deposit > 1 year	**8,414,000**	4,722,000
PLGIT - various certificates of deposit < 1 year	**25,555,000**	25,644,000
Total cash and investments	**$ 71,962,870**	$ 73,835,802

Cash on Hand
For both years ended June 30, 2013 and 2012, petty cash on hand and change funds totaled $3,400.

Deposits
Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. The College has adopted a policy for custodial credit risk, which includes monthly monitoring of the assets and annual verification. As of June 30, 2013, the carrying amount of the College's deposits was $33,843,927 and the bank balance was $34,984,469. Of the bank balance, $500,000 was covered by federal depository insurance, and $34,484,469 was exposed to custodial credit risk. As of June 30, 2012, the carrying amount of the College's deposits was $35,894,041 and the bank balance was $38,035,695. Of the bank balance, $500,000 was covered by federal depository insurance, and $37,535,695 was exposed to custodial credit risk. The amounts exposed to custodial credit risk are fully collateralized by a pool of assets held at the respective financial institution consisting of FNMA, GNMA, and FHLMC securities. The collateral securities are held by the pledging financial institution but not in the College's name therefore exposing them to custodial credit risk.

Investments
The College's allowable investments are determined by Act 72 of the Annotated Code of the Public General Laws of Pennsylvania. The College may invest in certificates of deposit with commercial banks in the Commonwealth of Pennsylvania; direct U.S. obligations; U.S. government agency obligations; repurchase agreements; bankers acceptances from approved banks with acceptable credit ratings; commercial paper from entities with an acceptable credit rating, money market funds, and the Pennsylvania Local Government Investment Trust (PLGIT).

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

At June 30, 2013 and 2012, the College's investment balance consisted of $2,403,841 and $5,290,935 in a money market mutual fund account held by Bank of New York Mellon (BONY) Trust Company, N.A., and $35,711,702 and $32,647,426 in a PLGIT money market account and various certificates of deposit. Certificates of deposit maturing greater than one year were $8,414,000 and $4,722,000 at June 30, 2013 and 2012, respectively, and are reported as investments. The remaining investments are considered cash equivalents for financial statement purposes.

Investment Rate Risk
Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. At June 30, 2013, the College's investments consisted of money market mutual funds with BONY and the PLGIT and certificates of deposit at PLGIT. College management also believes the liquidity in the respective portfolios is adequate to meet cash flow requirements and to preclude the College from having to sell investments below original cost for that purpose.

Credit Risk
The College invests in the PLGIT which is under the administration of the Trust's members. The PLGIT was established in 1981 and is owned and operated by its members. Certain certificates of deposit at PLGIT are covered by FDIC insurance through various underlying financial institutions totaling $15,569,000 and $15,566,000 as of June 30, 2013 and 2012, respectively. The College also invests in the Dreyfus Treasury, JPMorgan US Treasury Plus, and Agency Cash Management Fund (Dreyfus) held by the BONY Trust Company, N.A. These portfolios are rated AAA by Standards & Poor's, their highest rating for money market mutual funds. The funds seek to maintain a constant value of $1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a $1.00 per unit constant value.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the College will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The College's investments in the JPMorgan US Treasury Plus, the Dreyfus Fund, and in the PLGIT are not considered to be exposed to custodial credit risk.

NOTE 4 - STUDENT AND OTHER RECEIVABLES, NET

Student and other accounts receivable represent amounts due for tuition and fees from currently enrolled and former students and other entities. The College extends unsecured credit to students and other entities in connection with their studies and other educational services provided. Student and other accounts receivable consist of the following as of June 30:

	2013	2012
Accounts receivable, student, and other	**$ 2,120,151**	$ 1,133,364
Less allowance for doubtful accounts	**(1,076,831)**	(908,246)
Student and other receivables, net	**$ 1,043,320**	$ 225,118

NOTE 5 - CONTRIBUTIONS RECEIVABLE - COMPONENT UNIT

Contributions receivable represent the present value of unconditional promises to give (pledges). Pledges due beyond one year are discounted to present value using discount rate of .15 percent for June 30 2013 and .21 percent for 2012, which approximated discount rates for United States Treasury Securities for the applicable collection term. Information on contributions receivable at June 30 2013 and 2012 is as follows:

	2013	2012
Due in less than one year	**$ 10,263**	$ 52,258
Due in one to five years	**8,568**	10,682
Due after five years	**4,880**	5,180
	23,711	68,120
Discount	**(79)**	(118)
Contributions receivable, net	**$ 23,632**	$ 68,002

NOTE 6 - CHARITABLE LEAD ANNUITY TRUSTS - COMPONENT UNIT

In December 2003, a donor funded two trusts established with a local bank naming the Foundation as the lead beneficiary of two charitable lead annuity trusts. Under the terms of the trusts, the Foundation is to receive an annual distribution of $12,500 from each trust for its unrestricted use for fifteen and thirty years, respectively for the two trusts. At the end of the fifteen and thirty year periods, the trusts will terminate, and the remaining trust assets will be distributed to the heirs of the donor. On an annual basis, the Foundation remeasures the estimated fair value of the contribution receivable based on the current market conditions and annual yield of the trust assets. The Foundation received $9,375 and $15,625 from each of the trusts in the year ended June 30, 2013 and 2012, which represented five quarterly payments to catch up prior year's distributions. The payments were recorded as a reduction in the receivable and a corresponding reclassification from temporarily restricted to unrestricted net assets. At June 30, 2013 and 2012, the present value of contributions receivable from these trusts is $301,650 and $317,829, respectively.

NOTE 7 - INVESTMENTS - COMPONENT UNIT

Investments are recorded at fair value and consist of the following at June 30:

	2013		
	Cost	**Fair Value**	**Unrealized Gain**
Mutual funds	**$ 5,122,894**	**$ 5,336,022**	**$ 213,128**

	2012		
	Cost	Fair Value	Unrealized Loss
Mutual funds	$ 5,653,671	$ 5,236,951	$ (416,720)

The Foundation's investment portfolio is included in the following categories at June 30:

	2013	2012
Unrestricted	**$ 141,380**	$ 218,359
Temporarily restricted	**3,812,709**	3,699,351
Permanently restricted	**1,381,933**	1,319,241
	$ 5,336,022	$ 5,236,951

NOTE 7 - INVESTMENTS - COMPONENT UNIT- CONTINUED

The following summarizes the composition of investment return for the year ended June 30:

	2013		
	Unrestricted	**Temporarily Restricted**	**Total**
Realized and unrealized gains (losses), net	**$ 8,121**	**$ 271,665**	**$ 279,786**
Interest and dividend income	**4,527**	**142,643**	**147,170**
Total	**$ 12,648**	**$ 414,308**	**$ 426,956**

	2012		
	Unrestricted	Temporarily Restricted	Total
Realized and unrealized gains (losses), net	$ (8,170)	$ (193,866)	$ (202,036)
Interest and dividend income	5,129	128,700	133,829
Total	$ (3,041)	$ (65,166)	$ (68,207)

Investments are exposed to various risks, such as interest rate, market, and credit risk. 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 materially affect the amounts reported in the statements of financial position.

NOTE 8 - CAPITAL ASSETS, NET

At June 30, 2013, capital assets consisted of the following:

	Balance June 30 2012	Additions	Deletions/ Transfers	Balance June 30 2013
Capital assets not being depreciated:				
Land	$ 2,042,033	$ -	$ -	$ 2,042,033
Construction in progress	4,953,426	6,726,335	1,529,135	10,150,626
Total capital assets not being depreciated	6,995,459	6,726,335	1,529,135	12,192,659
Capital assets being depreciated:				
Land improvements	4,916,661	414,661	-	5,331,322
Building and building improvements	109,471,918	483,782	-	109,955,700
Furniture and equipment	19,215,322	2,981,354	101,771	22,094,905
Library books	1,475,743	56,992	-	1,532,735
Total capital assets being depreciated	135,079,644	3,936,789	101,771	138,914,662
Less accumulated depreciation for:				
Land improvements	1,159,982	272,932	-	1,432,914
Buildings and building improvements	31,931,719	3,059,546	191	34,991,074
Furniture and equipment	14,646,916	1,389,395	101,873	15,934,438
Library books	1,232,722	73,648	-	1,306,370
Total accumulated depreciation	48,971,339	4,795,521	102,064	53,664,796
Total capital assets being depreciated, net	86,108,305	(858,732)	(293)	85,249,866
Total capital assets, net	$ 93,103,764	$ 5,867,603	$ 1,528,842	$ 97,442,525

NOTE 8 - CAPITAL ASSETS, NET - CONTINUED

The classifications of College capital assets and their related depreciation as of June 30, 2012 are as follows:

	Balance June 30 2011	Additions	Deletions/ Transfers	Balance June 30 2012
Capital assets not being depreciated:				
Land	$ 2,042,033	$ -	$ -	$ 2,042,033
Construction in progress	1,259,906	4,156,169	462,649	4,953,426
Total capital assets not being depreciated	3,301,939	4,156,169	462,649	6,995,459
Capital assets being depreciated:				
Land improvements	4,902,661	14,000	-	4,916,661
Building and building improvements	102,484,965	6,993,188	6,235	109,471,918
Furniture and equipment	17,762,861	1,507,774	55,313	19,215,322
Library books	1,425,789	49,954	-	1,475,743
Total capital assets being depreciated	126,576,276	8,564,916	61,548	135,079,644
Less accumulated depreciation for:				
Land improvements	912,468	247,514	-	1,159,982
Buildings and building improvements	29,251,961	2,685,992	6,235	31,931,718
Furniture and equipment	13,461,902	1,198,724	13,710	14,646,916
Library books	1,155,704	118,622	41,603	1,232,723
Total accumulated depreciation	44,782,035	4,250,852	61,548	48,971,339
Total capital assets being depreciated, net	81,794,241	4,314,064	-	86,108,305
Total capital assets, net	$ 85,096,180	$ 8,470,233	$ 462,649	$ 93,103,764

Depreciation expense for the College for the years ended June 30, 2013 and 2012 was $4,795,521 and $4,250,852, respectively.

NOTE 9 - LONG-TERM LIABILITIES

Long-term liability activity, except for the postemployment benefits obligation, for the year ended June 30, 2013, was as follows:

	Balance June 30 2012	Additions	Reductions	Balance June 30 2013	Amounts Due Within One Year
Bonds payable	$ 65,686,344	$ 2,400,000	$ 4,818,773	$ 63,267,571	$ 3,133,481
Less deferred amounts:					
For issuance premiums	580,406	-	84,259	496,147	48,927
For issuance discounts	(349,896)	-	(42,422)	(307,474)	(19,041)
Other Liabilities:					
Capital leases	-	138,591	9,519	129,072	36,381
Notes payable	1,144,681	-	616,094	528,587	528,587
Total	$ 67,061,535	$ 2,538,591	$ 5,486,223	$ 64,113,903	$ 3,728,335

Notes Payable

Under a revolving agreement, dated April 10, 2009, with the State Public School Building Authority, the College borrowed $3,000,000 to make additional infrastructure improvements at its Downingtown and Marple Campus locations. The loan is scheduled to be repaid over a five-year period through April 1, 2014 at a fixed interest rate of 2.25 percent. As of June 30, 2013, the College had drawn down the full amount of the loan and made principal payments of $2,471,413.

The following sets forth principal maturities and interest payments of this note as of June 30:

Year Ended	Principal	Interest	Total
2014	$ 528,587	$ 8,382	$ 536,969

NOTE 9 - LONG-TERM LIABILITIES - CONTINUED

Bonds Payable

As of June 30, 2013 and 2012, bonds payable consisted of the following:

	2013	2012
Commonwealth of Pennsylvania State Public School Building Authority Series of 2002 (a): Serial bonds at 4.00% to 5.00% due at various intervals beginning October 1, 2003 through October 1, 2017.	**$ -**	$ 2,025,000
Commonwealth of Pennsylvania State Public School Building Authority Series of 2005 (b): Serial bonds at 2.300% to 4.125% due at various intervals beginning October 1, 2005 through October 1, 2020.	**7,380,000**	8,160,000
Commonwealth of Pennsylvania State Public School Building Authority Series of 2008 (c): Serial bonds at 3.00% to 5.00% due at various intervals beginning October 1, 2008 through October 1, 2032.	**51,765,000**	53,600,000
Commonwealth of Pennsylvania State Public School Building Authority Series of 2011 (d): Serial bonds at 2.616% due at various intervals beginning April 1, 2012 through October 1, 2021.	**1,722,571**	1,901,344
Commonwealth of Pennsylvania State Public School Building Authority Series of 2013 (e): Serial bonds at 2.117% due at various intervals beginning July 1, 2013 through April 1, 2023.	**2,400,000**	-
	$ 63,267,571	$ 65,686,344

NOTE 9 - LONG-TERM LIABILITIES - CONTINUED

(a) On August 28, 2012, the College's Board of Trustees approved the redemption of the Series 2002 Bond. In October 2012, the College's administration executed this mandate and retired the Series 2002 Bond.

(b) The bonds are secured by a pledge of the College's revenue. The bonds are due serially over 15 years and mature October 1, 2020.

(c) In March 2008, the College sold the Series of 2008 Revenue Bonds totaling $59,635,000. The State Public School Building Authority issued the Bonds on behalf of the College. Interest on the 2008 Bonds is payable on April 1 and October 1, in each year until maturity or earlier redemption, commencing on October 1, 2008. The Bonds are due serially over the next 25 years and mature October 1, 2032.

(d) In December 2011, the College sold the Series of 2011 Revenue Bonds totaling $2,000,000. The State Public School Building Authority issued the Bonds on behalf of the College. Interest on the 2011 Bonds is payable on April 1 and October 1, in each year until maturity or earlier redemption, commencing on April 1, 2012. The Bonds are due serially over the next ten years and mature October 1, 2021.

(e) In April 2013, the College sold the Series of 2013 Revenue Bonds totaling $2,400,000. The State Public School Building Authority issued the Bonds on behalf of the College. Interest on the 2013 Bonds is payable on a quarterly basis on January 1, April 1, July 1 and October 1, in each year until maturity or earlier redemption, commencing on July 1, 2013. The Bonds are due serially over the next ten years and mature April, 2023.

The following sets forth principal maturities and interest payments of all bonds payable as of June 30, 2013:

Year Ended	Principal	Interest	Total
2014	$ 3,133,481	$ 2,882,817	$ 6,016,298
2015	3,253,313	2,763,385	6,016,698
2016	3,363,182	2,628,051	5,991,233
2017	3,508,358	2,476,659	5,985,017
2018	3,663,582	2,318,345	5,981,927
2019 - 2023	18,220,655	9,044,272	27,264,927
2024 - 2028	16,870,000	5,004,500	21,874,500
2029 - 2033	11,255,000	1,461,875	12,716,875
Total	$ 63,267,571	$ 28,579,904	$ 91,847,475

NOTE 10 - LEASE OBLIGATIONS

Capital Leases
In March 2013, the College entered into a capital lease agreement with Dell Financial Services for some server equipment. The capital lease agreement is for 51 months and includes an option to purchase the equipment for $1.00 at the termination of the base lease term. The cost and net carrying value of the property held under capital lease is $138,591 as of June 30, 2013.

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30:	
2014	$ 42,833
2015	42,833
2016	42,833
2017	14,288
Total minimum lease payments	142,787
Less: Amount representing interest	13,715
Present value of net minimum lease payments	$ 129,072

Operating Leases
The College's noncancelable operating leases relate to instructional and office spaces in Delaware and Chester Counties. The terms and details of these leases follow:

Delaware County
The College holds two leases totaling approximately 38,000 square feet. In November 2003, the College entered into a ten-year lease with Curtis Park Associates for 26,000 square feet of instructional and office space located in the Folcroft East Business Park in Sharon Hill, Pennsylvania. The College amended the lease on November 17, 2011. Under this amendment, the College extended the term of the lease for one year, seven months and fifteen days commencing November 15, 2013 and ending June 30, 2015. The lease cost for both fiscal years 2013 and 2012 totaled $308,352.

In August 2011, the College entered into a ten-year noncancelable lease agreement with the Dinavel Enterprises for approximately 12,000 square feet of instructional and office space located in the Barclay Square Shopping Center in Upper Darby, Pennsylvania. The initial payment on this lease commenced July 2012. Monthly payments are $16,032. This lease is scheduled to expire June 30, 2022. The lease cost for the fiscal year 2013 totaled $191,869.

Chester County
The College holds three noncancelable leases totaling 26,000 square feet with the Valley Investment Group for instructional and office space in the Whiteland Technology Park in Exton, Pennsylvania. These leases are scheduled to expire June 30, 2022. For each of the fiscal years 2013 and 2012, the lease cost totaled $334,322.

NOTE 10 - LEASE OBLIGATIONS - CONTINUED

Operating Leases - continued

On December 20, 2006, the College entered into a noncancelable lease with the Chester County Intermediate Unit for lease of instructional and office space within the Chester County Technical College High School which is located in Southern Chester County Pennsylvania. The building, which was completed in August 2008, and occupied in September 2008, consists of 116,000 square feet. The term of the lease is for ten years from July 1, 2008 through June 30, 2018 at an annual total lease cost of $555,000. One of the stipulations in the lease agreement was for a $200,000 advance lease payment made during fiscal year 2007, and an additional $200,000 payment made during fiscal year 2008. Starting July 1, 2008, the College began expensing the advance lease payment of $400,000 over the length of the lease or $40,000 annually. The prepaid expenses include $200,000 and $240,000 in advance lease payments for the years ended June 30, 2013 and 2012, respectively.

The Delaware County Community College Educational Foundation gave the College a $200,000 gift in both fiscal years 2007 and 2008 to off-set the College's $400,000 advance lease payments. The balance of these gifts is included as an unearned revenue item in the other liabilities total of $4,449,873 and $1,929,435 for the years ended June 30, 2013 and 2012, respectively. As with the advance lease payment, the gifts will be recognized as income over the length of the lease, or $40,000 annually.

In June 2012, the College's Board of Trustees approved a five-year lease agreement with the Chester County Intermediate Unit for approximately 1,600 square feet of instructional and office space at the Technical College High School in Downingtown, Pennsylvania. The initial payment on this lease was made on July 2012. Monthly payments are $2,858. The lease cost for the fiscal year 2013 totaled $34,293. This lease is scheduled to expire June 30, 2017.

The minimum future lease payments under these agreements are as follows:

Year Ending June 30	
2014	$ 1,424,353
2015	1,424,353
2016	1,116,001
2017	1,116,001
2018	1,081,708
2019 - 2022	2,106,832
Total	$ 8,269,248

The College has other noncancelable operating leases that generally have terms of one to three years. The rental expense for these leases was $193,914 and $197,193 for the years ended June 30, 2013 and 2012, respectively.

NOTE 11 - EMPLOYEE BENEFITS

Pension Plans

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).

TIAA-CREF is a cost-sharing multiple-employer defined contribution plan and as such, benefits depend solely on amounts contributed to the plan plus investment earnings. Full-time faculty, administrative, and support staff are eligible to participate from the date of employment. The College's contributions for each employee (and interest allocated to the employee's account) are fully vested. Death benefits in the amount of the full current value of accumulation are provided to the beneficiary of participants who die prior to retirement. A variety of payment options are available.

The PSERS and SERS are governmental cost-sharing multiple-employer defined benefit plans and are administered by the Commonwealth as established under legislative authority. Contributions are made by employees, the College and the Commonwealth. Death benefits are available to employee beneficiaries according to various options at time of death. The financial statements for PSERS and SERS can be obtained from the Commonwealth of Pennsylvania, Public School Employees Retirement System, PO Box 125, Harrisburg, Pennsylvania 17108-0125 and Commonwealth of Pennsylvania, State Employees' Retirement System, PO Box 1147, Harrisburg, Pennsylvania 17108.

Contributions to pension plans are charged to expenditures as accrued. Pension contributions required and made were $3,195,779, $2,982,350, and $2,816,059 in 2013, 2012, and 2011 , respectively. The College's contributions under the plans are based on the employee's salary as follows:

TIAA-CREF
For the fiscal years ended June 30, 2013, 2012, and 2011:
10% of full time employee's salary
2% of credit part time faculty

PSERS
For the fiscal years ended:
June 30, 2013, 6.18% of employee's salary
June 30, 2012, 4.33% of employee's salary
June 30, 2011, 2.82% of employee's salary

SERS
For the fiscal years ended:
June 30, 2013, 8.43% (Class A) and 10.51% (Class AA) of employee's salary
7.29% (Class A3 and Class A4) of employee's salary
June 30, 2012, 5.59% (Class A) and 6.99% (Class AA) of employee's salary
4.83% (Class A3 and Class A4) of employee's salary
June 30, 2011, 3.29% (Class A) and 4.11% (Class AA) of employee's salary
4.11% (Class A3 and Class A4) of employee's salary

NOTE 11 - EMPLOYEE BENEFITS - CONTINUED

The Commonwealth of Pennsylvania contributes the same percentage as the College to the PSERS plan. Pension contributions required and made by the Commonwealth of Pennsylvania were $302,683, $233,879, and $174,383 in 2013, 2012, and 2011, respectively. The Commonwealth of Pennsylvania does not make contributions to SERS for college employees.

Early Retirement Benefits
In August 2012, the College renegotiated the instructional staff bargaining agreement and the early retirement benefit was discontinued. Only staff who notified the College of their retirement intentions by June 30, 2013 were included in this plan. Prior to this, the Plan offered to each instructional staff member (ISM) with a minimum of 30 years of service, a reduced salary for one to five years and continued enrollment in the College's health plan for one to seven years as determined by the ISM's years of service. The following shows the components of the College's annual early retirement (ER) pension cost for the year, the amount actually contributed to the plan, and changes in the net ER pension obligation:

Net ER pension obligation, July 1, 2011	$ 1,010,638
Additional liability (new retirees)	466,046
Net ER pension obligation, June 30, 2012	1,476,684
Additional liability (new retirees)	-
Contributions to plan as of June 30, 2013	(377,128)
Net ER pension obligation, June 30, 2013	$ 1,099,556

The College's annual ER pension cost, the percentage of annual ER pension cost contributed to the plan, and the net ER pension obligation were as follows:

Fiscal Year Ended	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
6/30/13	$ 377,128	100.0%	$ 1,099,556
6/30/12	318,951	90.0%	1,476,684
6/30/11	316,849	59.5%	1,010,638

NOTE 11 - EMPLOYEE BENEFITS - CONTINUED

Postemployment Benefits

Plan Description

Delaware Country Community College administers a single-employer defined benefit plan (the Postemployment Benefit Plan). To be eligible for these benefits, employees must be full-time retirees with 30 years of credited service. The benefits provided by the College to retirees include medical, pharmacy, dental, and vision insurance.

Funding Policy

Generally, all benefits and coverage levels are paid for by the College. Retiree contributions for the medical plan exist for under-65 members and spouses who retire on or after October 1, 2007. The table below displays the percentage of the premium paid for by the retiree.

Date of Retirement	Retiree Percentage (Faculty)	Retiree Percentage (Non-Faculty)
January 1, 2011 - December 31, 2011	6%	4%
January 1, 2012 - December 31, 2012	7%	5%
January 1, 2013 - December 31, 2013	5%	5%

Annual OPEB Cost and Net OPEB Obligation

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation:

	2013	2012
Annual required contribution	$ 3,602,522 *	$ 1,797,636
Interest on net OPEB obligation	118,125	125,056
Adjustment to annual required contribution	(4,055,636)	(230,046)
Annual OPEB cost	(334,989)	1,692,646
Contributions made	(830,000)	(881,540)
Increase in net OPEB obligation	(1,164,989)	811,106
Net OPEB obligation - beginning of year	3,937,511	3,126,405
Net OPEB obligation - end of year	$ 2,772,522	$ 3,937,511

NOTE 11 - EMPLOYEE BENEFITS - CONTINUED

* Effective February 1, 2013 for administrative employees and support staff and for the 2012-2013 academic year for faculty, all postretirement medical, dental and vision benefits have been eliminated. The actuarial liability does still reflect the liabilities and costs association with future disabled members in addition to existing retirees. Since benefits have been eliminated for future retirees and the health premiums were reduced, especially for Medicare-eligible members, the Net OPEB Obligation is greater than the actuarial liability. The College has elected to change the amortization period to one year and reduce the discount rate to three percent. Further assumptions for the actuarial liability are disclosed below.

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

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	$ (334,989)	-247.8%	$ 2,722,522
6/30/12	1,692,646	52.1%	3,937,511
6/30/11	1,524,609	41.5%	3,126,405

Funded Status and Funding Progress
As of July 1, 2012, the Plan was zero percent funded. The actuarial accrued liability was $3.4 million which is equivalent to the unfunded actuarial accrued liability (UAAL). The covered payroll (annual payroll of active employees covered by the plan) was $27.6 million and the ratio of the UAAL to the covered payroll was 12.3 percent.

Actuarial Valuation Date	Plan Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Payroll
7/1/2012	$ -	$ 3,398,842	$ 3,398,842	0.00%	$ 27,609,920	12.3%
7/1/2010	-	10,660,647	10,660,647	0.00%	27,812,913	38.3%
7/1/2008	-	13,694,499	13,694,499	0.00%	24,859,354	55.1%

NOTE 11 - EMPLOYEE BENEFITS - CONTINUED

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

Actuarial Methods and Assumptions - Pension and OPEB Obligations
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and plan members to that point. The calculations are based on the types of benefits provided under the terms of the College's Retirement Benefits plan at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the efforts of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuations for the OPEB plan, the projected unit credit cost method was used with linear pro-ration to assumed benefit commencement. The actuarial assumptions included a three percent discount rate and a healthcare cost trend rate of 8.5 percent initially, reduced by decrements to 5.6 percent after five years. Health cost trend includes an adjustment for excise tax. The unfunded liability is being amortized using a level dollar method over a one-year amortization period.

NOTE 12 - UNEARNED TUITION FROM SPONSOR

Effective January 1, 2011, the College recognized the Chester Upland School District as its twelfth sponsoring school district. To gain entry as the College's twelfth sponsor, the Chester Upland School District agreed to pay a one-time lump sum capital buy-in contribution of $3,943,826. This one-time buy in amount represented the District's portion of the accumulated value of the College's capital assets.

As part of the District's entry, the College agreed to use a portion of this one-time capital buy-in contribution to hold the current sponsoring school district appropriation of $8,005,124 constant for a period of five years or through June 30, 2016. In addition to the hold constant agreement, the College established a tuition fund to offset the annual reduction in nonsponsoring tuition and fee revenue as a result of Chester Upland School District becoming a sponsor of the College. As of June 30, 2013 and 2012, $2,531,772 and $1,353,478 of this tuition fund was utilized to offset the annual reduction in nonsponsoring tuition and fee revenue, respectively.

NOTE 12 - UNEARNED TUITION FROM SPONSOR - CONTINUED

As of June 30, 2013 and 2012, $1,412,054 and $2,590,348 remains of the one-time buy-in amount. This amount is reflected as unearned tuition from sponsors in the current and noncurrent liabilities and total $1,180,000 and $232,054, respectively, for the year ended June 30, 2013 and $900,000 and $1,690,348, respectively, for the year ended June 30, 2012. Also included in the current portion of the unearned tuition from sponsor at June 30, 2013 is a prepayment of 2014/2014 tuition totaling $54,286.

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS - COMPONENT UNIT

Included in the total temporarily restricted net assets are two significant funds that are associated with the Foundation's Chester County Campus Capital Campaign and Science, Technology, Engineering, and Math Complex. At June 30, 2013 and 2012, those amounts totaled $1,293,399 and $1,024,305, respectively, for the Chester County Campus Capital Campaign and $1,467,214 and $1,631,082, respectively, for the Science, Technology, Engineering, and Math Complex. The remaining balances in temporarily restricted net assets at June 30, 2013 and 2012 are $301,650 and $317,829, respectively, for the present value of the balances due on the Charitable Lead Annuity Trusts and $1,031,346 and $1,043,964, respectively, for scholarships to and programs operated by the College.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the year ended June 30:

	2013	2012
Scholarships	**$ 207,961**	$ 183,055
Programs	**129,578**	131,353
Charitable Lead Annuity Trusts	**18,750**	31,250
Chester County Technical College High School	**700,000**	575,000
Chester County Campus Capital Campaign	**200,000**	200,995
Science, Technology, Engineering, and Math Complex	**100,000**	100,000
	$ 1,356,289	$ 1,221,653

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS - COMPONENT UNIT

Permanently restricted net assets are restricted for the following purposes at June 30:

	2013	2012
Independence Nursing Scholarship	$ 200,000	$ 200,000
Louis W. Scott III Memorial Scholarship Fund	189,184	166,762
Wong-Moss Alumni Award	104,314	104,314
DCCC/Student Government Association Scholarship	94,466	94,466
Edith Garlow Memorial Poetry Fund	78,696	78,696
Dr. Carolyn McKinley Mathematics, Science, and English	76,470	76,470
Richard D. DeCosmo Scholarship Fund	53,046	51,046
Gould Memorial Faculty Award	48,395	45,395
Kevin Coleman Memorial Scholarship	42,970	40,415
Steve Pahides Memorial Scholarship	39,115	38,115
American Food Service Scholarship	35,000	35,000
SAP Business & Technology Scholarship	30,000	30,000
Drexelbrook Community Scholarship	25,000	25,000
Chester Pike Rotary Scholarship	26,477	24,477
Murphey Family Memorial Scholarship	23,585	23,585
Teresa K. Freda Scholarship Fund	22,805	22,805
Ann Marie Vitale Memorial Scholarship	21,537	20,537
Communications Arts Curriculum Scholarship	19,300	19,300
Ellen Ann Roberts Memorial Scholarship Fund	14,105	14,105
Marc C. Bender Memorial Scholarship Fund	18,716	13,216
Phi Theta Kappa Scholarship	12,519	12,519
Barry Gibbons Scholarship	12,480	12,480
Donnelly-Barnes Scholarship	12,415	12,415
Phyllis Wexler Memorial Scholarship	11,600	11,600
Harry L. LeFever Scholarship	11,575	10,505
Air Conditioning Contractors of America Scholarship	10,797	10,297
Delco Tavern Association Scholarship	10,000	10,000
Charles W. Crist Memorial Scholarship	10,000	10,000
Thomas J. Anderson Scholarship	10,000	-
Anthony D'Angelo Business Society Scholarship	9,630	9,630
E.R. Pechin Nursing Scholarship	8,152	8,152
J.R. Finio and Sons Scholarship Fund	6,695	6,695
Maryann DiGiandomenico Memorial Scholarship	6,534	6,534
Michael and Teresa Morochko Scholarship	6,065	6,065

NOTE 14 - PERMANENTLY RESTRICTED NET ASSETS - COMPONENT UNIT - CONTINUED

	2013	2012
Labron K. Shuman, Esquire, Award	**6,000**	6,000
Sagle/Perkins Scholarship	**8,000**	6,000
David Baldwin Memorial Scholarship	**5,788**	5,788
Frank and Mary Jelinek Scholarship	**5,000**	5,000
Marie Patriarca Staff Award	**5,000**	5,000
Kreitzberg Endowed Scholarship Fund	**5,330**	4,565
Karen L Berlant Memorial Award	**4,220**	4,220
Timothy Finian Hickey Memorial Scholarship	**4,155**	-
CK Emergency Fund	**3,750**	3,750
Henry Jackson Memorial Scholarship	**3,705**	3,705
Spelina-McAfee Memorial Scholarship	**3,500**	-
Special Therapy Fund	**3,734**	3,234
Thomas McNicholas Scholarship	**2,670**	2,670
Marian Heisler Memorial Scholarship	**2,606**	2,606
Eganey and Kauffman Memorial Scholarship Fund	**2,575**	2,575
Kuehner-Oyler Nursing Scholarship	**3,000**	2,500
Eugene Maniscalco Architectural Award	**2,450**	2,450
John T. Carroll Memorial Scholarship	**2,425**	2,425
David J. Andrien Memorial Scholarship Fund	**2,400**	2,400
Charles Sweeney Memorial Scholarship	**1,357**	1,257
Matt Evoli Endowed Scholarship	**1,000**	1,000
Beneita E. Bagby Scholarship Fund	**500**	500
Ellen and Paul Makowski Memorial Scholarship	**625**	500
Newby and Pretlow Family Scholarship Fund	**500**	500
	$ 1,381,933	$ 1,319,241

NOTE 15 - ENDOWMENTS - COMPONENT UNIT

The Foundation's endowments consist of 58 donor-restricted endowment funds established to support a variety of scholarships at Delaware County Community College. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 15 - ENDOWMENTS - COMPONENT UNIT - CONTINUED

Interpretation of Relevant Law

The classification of the net assets associated with endowment funds 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 Commonwealth of Pennsylvania has not enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), or a version of the Uniform Management of Institutional Funds Act (UMIFA). Governing law resides in 15 Pa. C.S. § 5548 "Investment of Trust Funds." The board of the Foundation has interpreted the relevant law as requiring the preservation of the historical cost of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund, which consists of accumulated investment return, is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation's board.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in line with the Foundation Investing Policy of a moderate level of investment risk.

Strategies Employed for Achieving Objectives

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

Spending Policy

The Foundation's spending policy on the endowment awards shall not exceed five percent (5%) of the book value, including unrealized gains and losses, of the audited permanently restricted net assets balance as of June 30. The endowment awards will be calculated on a three-year rolling average of the book value. Of the five percent (5%), four percent (4%) shall be allocated for the purpose of the fund and one percent (1%) shall be allocated for the management fee, which will be transferred to the Foundation's unrestricted fund. If the principal falls below the investment, the principal may be invaded for the then current year only. This policy is reviewed by the finance committee as needed, but at least on an annual basis in order to safeguard the principal over time. Any further consideration of invading principal must be presented to the full Foundation board for discussion and vote. For the year ended June 30, 2013, awards from income earned on the permanently restricted net assets were within the guidelines as stipulated in the spending policy.

NOTE 15 - ENDOWMENTS - COMPONENT UNIT - CONTINUED

Endowment Net Asset Composition by Type of Fund as of June 30:

	2013		
	Temporarily Restricted	**Permanently Restricted**	**Total**
Donor restricted endowment funds	**$ 527,964**	**$ 1,381,933**	**$ 1,909,897**

	2012		
	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ 502,396	$ 1,319,241	$ 1,821,637

Changes in Endowment Net Assets for the fiscal years ended June 30:

	2013		
	Temporarily Restricted	**Permanently Restricted**	**Total**
Net assets, beginning of year	**$ 502,396**	**$ 1,319,241**	**$ 1,821,637**
Investment return:			
Interest and dividends	**56,536**	**-**	**56,536**
Net realized and unrealized gains	**47,080**	**-**	**47,080**
Total	**606,012**	**1,319,241**	**1,925,253**
Contributions	**-**	**62,692**	**62,692**
Appropriation of endowment assets for expenditures and management fees	**(78,048)**	**-**	**(78,048)**
Net assets, end of year	**$ 527,964**	**$ 1,381,933**	**$ 1,909,897**

	2012		
	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 602,741	$ 1,279,254	$ 1,881,995
Investment return:			
Interest and dividends	50,305	-	50,305
Net realized and unrealized gains	(76,208)	-	(76,208)
Total	576,838	1,279,254	1,856,092
Contributions	-	39,987	39,987
Appropriation of endowment assets for expenditures and management fees	(74,442)	-	(74,442)
Net assets, end of year	$ 502,396	$ 1,319,241	$ 1,821,637

NOTE 16 - FAIR VALUE MEASUREMENTS - COMPONENT UNIT

In determining fair value, the Foundation uses various valuation approaches within the ASC 820-10 framework, which defines fair value, establishes guidelines for measuring fair value, and expands disclosures regarding fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this statement does not require any new fair value measurements.

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820-10 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1: Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2: Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

As of June 30, 2013 and 2012, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investment securities consisting of mutual fund securities which are valued at fair value based on quoted market prices at year-end.

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30:

	2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Balanced	**$ 2,383,288**	**$ -**	**$ -**	**$ 2,383,288**
Growth	**609,400**	**-**	**-**	**609,400**
Fixed income	**2,343,334**	**-**	**-**	**2,343,334**
Total	**$ 5,336,022**	**$ -**	**$ -**	**$ 5,336,022**

	2012			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	$ 2,670,457	$ -	$ -	$ 2,670,457
Growth	393,495	-	-	393,495
Fixed income	2,172,999	-	-	2,172,999
Total	$ 5,236,951	$ -	$ -	$ 5,236,951

NOTE 17 - COMMITMENT AND CONTINGENCIES

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For insured programs, there were no significant reductions in insurance coverages of the 2012/2013 years. The College has no unfunded liability.

Commitments related to construction-in-progress projects were approximately $2,495,545 and $6,104,976 for the year ended on June 30, 2013 and 2012, respectively, and will be satisfied through cash on hand.

The College is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the College's financial position.

NOTE 18 - RESTATEMENT OF BEGINNING OF NET POSITION

Effective July 1, 2011, the College adopted Governmental Accounting Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, to be in conformity with generally accepted accounting principles.

Statement No. 63 establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement provides a framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities, should be displayed. The statement also discusses how net position, no longer net assets, should be displayed.

Statement No. 65 establishes guidance to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. This statement also restricts the use of the term "deferred" only to those items designated as deferred outflows or deferred inflows of resources by the standards. The adoption of this standard resulted in the College restating beginning net position as of July 1, 2011, for the elimination of net bond issuance costs which no longer qualifies as an asset in the amount of $1,059,048. The implementation of the standard also resulted in the College decreasing amortization expense $62,058 for the year ended June 30, 2012 resulting in an increase in change in net position.

NOTE 19 - NEW ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board (GASB) has issued the following standards which have not yet been implemented:

- Statement No. 67, *Financial Reporting for Pension Plans*, which is required to be implemented by the year ending June 30, 2014. The objective of this statement is to improve financial reporting by enhancing financial statement note disclosure and required supplementary information for government pension plans.

- Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented by the year ending June 30, 2015. The objective of this statement is to improve accounting and financial reporting by governments for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. This statement also enhances note disclosure and required supplementary information for government plans. This pronouncement applies to employers that have a legal obligation to make contributions directly to a pension plan.

The College has not yet completed the analysis necessary to estimate the financial statement impact of these new pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

DELAWARE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - POSTEMPLOYMENT BENEFITS PLAN

June 30, 2013

Schedule of Funding Progress for Postemployment Benefits

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Actuarial Valuation Date	Plan Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Payroll
7/1/2012	$ -	$ 3,398,842	$ 3,398,842	0.00%	$ 27,609,920	12.3%
7/1/2010	-	10,660,647	10,660,647	0.00%	27,812,913	38.3%
7/1/2008	-	13,694,499	13,694,499	0.00%	24,859,354	55.1%

Schedule of Employer Contributions for Postemployment Benefits

Fiscal Year-End	Annual OPEB Cost	Employer Contributions	% of OBEB Cost Contributed	Net OPEB Obligation
6/30/13	$ (334,989)	$ 830,000	-247.8%	$ 2,722,522
6/30/12	1,692,646	881,540	52.1%	3,937,511
6/30/11	1,524,609	632,687	41.5%	3,126,405
6/30/10	1,571,383	501,576	31.9%	2,234,483
6/30/09	1,762,442	597,766	39.6%	1,164,676

Effective February 1, 2013 for administrative employees and support staff and for the 2012-2013 academic year for faculty, all postretirement medical, dental and vision benefits have been eliminated. The actuarial liability does still reflect the liabilities and costs association with future disabled members in addition to existing retirees. Since benefits have been eliminated for future retirees and the health premiums were reduced, especially for Medicare-eligible members, the Net OPEB Obligation is greater than the actuarial liability. The College has elected to change the amortization period to one year and reduce the discount rate to three percent. Further assumptions for the actuarial liability are disclosed in Note 11.

SUPPLEMENTARY INFORMATION

DELAWARE COUNTY COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2013

Grantor / Pass-Through / Program Title	Source Code	CFDA Number	Pass-Through Grantors Number	Contract Date	Award Amount	Received 6/30/2013	Accrued 6/30/2012	Revenue / Expenditures	Accrued 6/30/2013
Department of Education:									
12/13 PELL	D	84.063	P063P122891	03/23/12-09/28/18	$ 19,952,597	$ 19,952,597	$ -	$ 20,856,083	$ 903,486
11/12 PELL	D	84.063	P063P112891	03/23/11-08/31/17	19,394,235	62,540	66,049	(6,090)	(2,581)
12/13 Federal Work-Study Program (Including Administrative Allowance)	D	84.033	P033A123566	04/16/12-08/31/18	242,382	242,382	-	289,254	46,872
11/12 Federal Work-Study Program (Including Administrative Allowance)	D	84.033	P033A113566	07/01/11-10/02/17	240,703	43,750	43,750	-	-
12/13 Supplemental Education Opportunity Grant (Inc. Admin. Allowance)	D	84.007	P007A123566	04/16/12-08/31/18	175,000	107,077	-	143,435	36,358
11/12 Supplemental Education Opportunity Grant (Inc. Admin. Allowance)	D	84.007	P007A113566	07/01/11-10/02/17	200,000	45,188	45,188	-	-
12/13 Federal Direct Student Loans	D	84.268	P268K132891	01/03/12-01/03/18	28,786,665	22,772,386	-	23,330,774	558,388
11/12 Federal Direct Student Loans	D	84.268	P268K122891	01/03/11-01/03/17	31,218,091	43,067	43,530	(463)	-
Student Financial Assistance Cluster Subtotal						43,268,987	198,517	44,612,993	1,542,523
Department of Education									
Passed through Pennsylvania Department of Education:									
12/13 Vocational Education	I	84.048	RA-381-13-2019	07/01/12-06/30/13	614,846	614,846	-	614,846	-
11/12 Vocational Education	I	84.048	RA-381-12-2019	07/01/11-06/30/12	608,361	42,828	42,828	-	-
subtotal						657,674	42,828	614,846	-
12/13 Adult Education Expansion Grant	I	84.002	041-13-0017	07/01/12-06/30/13	204,120	204,120	-	195,908	(8,212)
Department of Education									
Passed through PHEAA:									
Creating Access to Postsecondary Schools (CAPS) Grant	I	84.378A	041-13-0016	07/01/12-06/30/13	9,000	9,000	-	9,000	-
Total Department of Education						44,139,781	241,345	45,432,747	1,534,311
Department of Labor									
Passed through Delaware County Employment/Training Office:									
Workforce Investment Act Cluster									
Workforce Investment Act - PC Workshops for Career Link	I	17.258	010-052-12A/D	07/01/12-06/30/13	21,905	21,905		21,905	-
Workforce Investment Act - PC Workshops for Career Link	I	17.278	010-052-12A/D	07/01/12-06/30/13	21,905	21,905		21,905	-
Workforce Investment Act - PC Workshops for Career Link	I	17.258	010-050-11A/D	07/01/11-06/30/12	11,790	5,050	5,050	-	-
Workforce Investment Act - PC Workshops for Career Link	I	17.278	010-050-11A/D	07/01/11-06/30/12	11,790	5,050	5,050	-	-
Workforce Investment Act - Adult Training-Assessment Program	I	17.258	010-018-12A/D	07/01/12-06/30/13	69,296	69,296		69,288	(8)
Workforce Investment Act - Adult Training-Assessment Program	I	17.278	010-018-12A/D	07/01/12-06/30/13	69,296	69,296		69,288	(8)
Workforce Investment Act - Adult Training-Assessment Program	I	17.258	010-017-11A/D	07/01/11-06/30/12	84,699	30,396	30,396	-	-
Workforce Investment Act - Adult Training-Assessment Program	I	17.278	010-017-11A/D	07/01/11-06/30/12	84,699	30,396	30,396	-	-
Workforce Investment Act - PC Instruction for workers affected by Delaware County Refinery Dislocations	I	17.278	010-051-11REF	03/01/12-06/30/12	92,629	41,760	41,760	-	-
Workforce Investment Act Cluster Subtotal						295,054	112,652	182,386	(16)
Passed through the Community College of Philadelphia:									
11/12 Trade Adj. Asst. Community College and Career Training (TAACCCT)	I	17.282	TC-22519-11-60-A-42	10/01/11-09/30/14	1,085,505	323,466	100,986	423,126	200,646
Total Department of Labor						618,520	213,638	605,512	200,630
Department of Health and Human Services									
Refugee and Entrant Assistance - Discretionary Grant	D	93.576		07/01/12-06/30/13	13,746	13,746	-	13,746	-
Chafee Education and Training Vouchers Program	D	93.599		07/01/12-06/30/13	21,000	21,000	-	21,000	-
Chafee Education and Training Vouchers Program	D	93.599		07/01/11-06/30/12	11,250	(1,250)	(1,250)	-	-
`									
Passed through Inspiritec:									
Temporary Assistance for Needy Families (Keys) Grant	I	93.558	KEYS-Delaware-0711	07/01/12-06/30/13	-	114,175	-	180,094	65,919
Temporary Assistance for Needy Families (Keys) Grant	I	93.558	KEYS-Delaware-0711	07/01/11-06/30/12	-	73,543	73,543	-	-
subtotal						187,718	73,543	180,094	65,919
Total Department of Health and Human Services						221,214	72,293	214,840	65,919
Small Business Administration									
Small Business Solutions Center	D	59.000	SBAHQ-09-I-0094	09/30/09-09/29/12	300,000	130,309	130,309	-	-
TOTAL FEDERAL AWARDS						$ 45,109,824	$ 657,585	$ 46,253,099	$ 1,800,860

DELAWARE COUNTY COMMUNITY COLLEGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2013

NOTE 1

The purpose of the schedule of expenditures of federal awards is to present a summary of the activities of Delaware County Community College for the year ended June 30, 2013, which have been financed by the U.S. Government.

Because the schedule presents only a selected portion of the activities of Delaware County Community College, it is not intended to and does not present either the financial position, results of operations, or changes in fund balances of Delaware County Community College.

The schedule is prepared on the accrual basis of accounting, which recognizes income in the period it is earned and expenses in the period they are incurred.

NOTE 2

Total revenues from Student Financial Aid programs, for the year ended June 30, 2013, amounted to $44,612,993 which represents approximately 41 percent of total revenues of $109,512,036.

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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*

To the Board of Trustees
Delaware County Community College
Media, 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 the business-type activities and the aggregate discretely presented component unit of Delaware County Community College, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Delaware County Community College's basic financial statements, and have issued our report thereon dated December 11, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delaware County Community College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delaware County Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Delaware County 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 may exist that have not been identified.

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Compliance and Other Matters

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

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.

Herbein + Company, Inc.

Reading, Pennsylvania
December 11, 2013

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Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Trustees
Delaware County Community College
Media, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Delaware County Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Delaware County Community College's major federal programs for the year ended June 30, 2013. Delaware County 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Delaware County Community College's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Delaware County Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Delaware County Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Delaware County 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, 2013.

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Report on Internal Control Over Compliance

Management of Delaware County Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Delaware County Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Delaware County Community College's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Herbein + Company, Inc.

Reading, Pennsylvania
December 11, 2013

DELAWARE COUNTY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

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 __X__ no
Significant deficiency(ies)identified	______ yes __X__ none reported
Noncompliance material to financial statements noted?	______ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	______ yes __X__ no
Significant deficiency(ies)identified	______ yes __X__ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	______ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Student Financial Assistance Cluster	
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
84.033	Federal Work-Study Program (FWS)
84.063	Federal Pell Grant Program (PELL)
84.268	Federal Direct Student Loans
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT)

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	__X__ yes ______ no

Section II - Financial Statement Findings

There were no financial statement findings at June 30, 2013.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings at June 30, 2013.

DELAWARE COUNTY COMMUNITY COLLEGE

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Section II - Financial Statement Findings

There were no financial statement findings at June 30, 2012.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings at June 30, 2012.

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

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

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ____________________________________
Authorized Officer

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

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[FORM OF OPINION OF BOND COUNSEL]

______________, 2014

STATE PUBLIC SCHOOL BUILDING AUTHORITY
$14,410,000 College Revenue Bonds, Series of 2014
(Delaware County Community College Project)

To the Purchasers of the Above-Entitled Bonds:

We have acted as Bond Counsel in connection with the issuance and sale by the State Public School Building Authority (the "Authority") of $14,410,000 aggregate principal amount of the Authority's College Revenue Bonds, Series of 2014 (Delaware County Community College Project), (the "2014 Bonds"), being issued under the provisions of the State Public School Building Authority Act of 1947, P.L. 1217, as supplemented and amended (the "Act"), and pursuant to a Trust Indenture dated as of October 1, 1993 as amended and supplemented by a First Supplemental Trust Indenture dated as of April 15, 1996 a Second Supplemental Trust Indenture dated as of October 15, 2000, a Third Supplemental Trust Indenture dated as of December 1, 2002, a Fourth Supplemental Trust Indenture dated as of March 1, 2005, a Fifth Supplemental Trust Indenture dated as of March 1, 2008, a Sixth Supplemental Trust Indenture dated December 16, 2011, a Seventh Supplemental Trust Indenture dated April 9, 2013 and an Eighth Supplemental Trust Indenture dated as of September 15, 2014 (the "Eighth Supplemental Indenture") (collectively, the "Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee").

The 2014 Bonds are being issued at the request of the Delaware County Community College (the "College") to provide funds for a project (the "Project") consisting of (i) the acquisition, construction, improvement, renovation, furnishing, equipping and installation of certain alterations and improvements, personal property and/or fixtures at the College's Delaware County and Chester County campuses; and (ii) the payment of the costs and expenses of issuing the 2014 Bonds.

The proceeds of the 2014 Bonds are being loaned by the Authority to the College pursuant to a Loan and Security Agreement dated as of October 1, 1993 as amended and supplemented by a First Supplemental Loan Agreement dated as of April 15, 1996, a Second Supplemental Loan Agreement dated as of October 15, 2000, a Third Supplemental Loan Agreement dated as of December 1, 2002, a Fourth Supplemental Loan Agreement dated as of March 1, 2005, a Fifth Supplemental Loan Agreement dated as of March 1, 2008, a Sixth Supplemental Loan Agreement dated December 16, 2011, a Seventh Supplemental Loan Agreement dated April 9, 2013 and an Eighth Supplemental Loan Agreement dated as of September 15, 2014 (the "Eighth Supplemental Loan Agreement") (collectively, the "Loan Agreement"), between the Authority and the College, pursuant to which the College is required to make payments in an amount sufficient to pay, among other things, the principal of and interest on the 2014 Bonds. To evidence its obligations under the Loan Agreement, the College is delivering to the Authority its General Obligation Note (the "2014 Note"). The Authority has assigned its interest in the Loan Agreement (except its rights to receive certain administrative fees and expenses and except for its rights of indemnification) and the 2014 Note to the Trustee as security for the 2014 Bonds.

As Bond Counsel to the Authority, we have examined a record of the proceedings of the Authority relating to the issuance of the 2014 Bonds, including original counterparts or certified copies of the Indenture, the Loan Agreement, and such and other materials as we have deemed necessary and appropriate to render the opinion set forth herein. In rendering such opinion, we have examined and relied upon (i) the opinion of counsel to the Authority with respect to the due organization and existence of the Authority, the authorization, execution and delivery of the documents to which the Authority is a party and the valid and binding effect thereof on the Authority; and (ii) the opinion of counsel to the College with respect to the due authorization, execution and delivery by the College of the Loan Agreement and the 2014 Note and the valid and binding effect of the Loan Agreement and the 2014 Note on the College.

The Authority and the College have made certain factual representations in the Indenture and the Loan Agreement and certain certificates delivered on the date hereof that are material to the opinions expressed herein, including representations as to the reasonable expectations of the College and the Authority on the date hereof as to the use of the proceeds of the 2014 Bonds. We have not undertaken to verify these factual representations by independent investigation. We have further relied upon covenants of the Authority and the College set forth in the Indenture and the Loan Agreement, respectively, wherein the Authority and the College agree continually to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations in effect thereunder in order to preserve the exclusion from gross income for federal income tax purposes of interest on the 2014 Bonds. Except as set forth in paragraph 5 below, our opinions are given only with respect to the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof.

Based upon the foregoing, we are of the opinion that:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth of Pennsylvania with full power and authority to undertake the Project, to execute and deliver the Eighth Supplemental Indenture and the Eighth Supplemental Loan Agreement, and to issue and sell the 2014 Bonds.

2. The Eighth Supplemental Indenture and the Eighth Supplemental Loan Agreement have been duly authorized, executed and delivered by the Authority and the covenants of the Authority therein are legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency and other laws and equitable principles affecting the enforcement of creditors' rights generally.

3. The issuance and sale of the 2014 Bonds have been duly authorized by the Authority and the 2014 Bonds have been duly executed and delivered by the Authority and based on the assumption as to execution and authentication stated above, such 2014 Bonds are valid, binding and enforceable obligations of the Authority and are entitled to the benefit and security of the Indenture, except as the rights created thereunder and the enforcement thereof may be limited by bankruptcy, insolvency and other laws and equitable principles affecting the enforcement of creditors' rights generally.

4. Under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, the 2014 Bonds and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession

or inheritance taxes or any other taxes not levied or assessed directly on the 2014 Bonds, or the interest thereon.

5. Interest (including accrued original issue discount) on the 2014 Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the Authority and the College comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the 2014 Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the 2014 Bonds to be includable in gross income retroactive to the date of issuance of the 2014 Bonds. The Authority and the College have covenanted to comply with all such requirements.

Interest on the 2014 Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the individual and corporate alternative minimum taxes; however, we call to your attention that under the Code, to the extent that interest on the 2014 Bonds is a component of a corporate holder’s "adjusted current earnings," a portion of that interest may be subject to the corporate alternative minimum tax. We express no opinion regarding other federal tax consequences relating to the 2014 Bonds or the receipt of interest thereon.

We do not express any opinion herein on the adequacy or accuracy of the preliminary or final Official Statement prepared in respect of the 2014 Bonds, or as to any other matter not set forth herein.

We call to your attention that the 2014 Bonds are limited obligations of the Authority, payable only out of certain revenues of the Authority and certain other moneys available therefor as provided in the Indenture, and the 2014 Bonds do not pledge the credit or taxing power of the Commonwealth of Pennsylvania, or any political subdivision, agency or instrumentality thereof, nor shall the Commonwealth of Pennsylvania, or any political subdivision, agency or instrumentality thereof be liable for the payment of the principal of or interest on the 2014 Bonds. The Authority has no taxing power.

Very truly yours,

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APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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$14,410,000 aggregate principal amount
STATE PUBLIC SCHOOL BUILDING AUTHORITY
(COMMONWEALTH OF PENNSYLVANIA)
COLLEGE REVENUE BONDS
(DELAWARE COUNTY COMMUNITY COLLEGE PROJECT)
SERIES OF 2014

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered this ___ day of September, 2014, by and between the Delaware County Community College (the "College") and The Bank of New York Mellon Trust Company, N.A., Pittsburgh, Pennsylvania, as trustee (the "Trustee") under a Trust Indenture, dated as of October 1, 1993, as amended and supplemented from time to time, and as further amended and supplemented by an Eighth Supplemental Trust Indenture, dated as of September 15, 2014 (collectively, the "Indenture"), in connection with the issuance and sale by the State Public School Building Authority (the "Authority"), of its $14,410,000 aggregate principal amount, College Revenue Bonds (Delaware County Community College Project), Series of 2014 (the "Bonds"), The Bank of New York Mellon Trust Company, N.A., serving in its capacity as dissemination agent hereunder (the "Dissemination Agent"). The Bonds are being issued by the Authority pursuant to the State Public School Building Authority Act of 1947, P.L. 1217, as amended and supplemented (the "Act"). Proceeds of the Bonds will be loaned to the College by the Authority pursuant to the terms and provisions of a Loan and Security Agreement, dated as of October 1, 1993, as amended and supplemented from time to time, and as further amended and supplemented by an Eighth Supplemental Loan Agreement, dated as of September 15, 2014.

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

Section 1. Definitions

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

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

"Bond Insurer" shall mean Assured Guaranty Municipal Corp., a New York-domiciled insurance company and issuer of the Municipal Bond Insurance Policy.

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

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

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

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

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Municipal Bond Insurance Policy" shall mean the municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Official Statement" shall mean the Official Statement, dated September 18, 2014, relating to the Bonds, including all amendments, if any, made thereto.

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

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

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

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

"Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee under the Indenture.

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

Section 2. Authorization and Purpose of Disclosure Agreement

This Disclosure Agreement is authorized to be executed and delivered by the College pursuant to a resolution adopted by the Board of Trustees of the College on May 7, 2014 in order to assist the Participating Underwriter in complying with the requirements of the Rule. The College covenants to comply with all requirements of this Disclosure Agreement in order to enable the Participating Underwriters to comply with the Rule.

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

Section 3. Annual Financial Information

(a) Within 180 days of the close of each fiscal year of the College, commencing with the fiscal year ending June 30, 2014, the Disclosure Representative shall file, with the Dissemination Agent, the Trustee (if the Trustee is not the Dissemination Agent), and Bond Insurer, Annual Financial Information for such fiscal year.

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

Section 4. Reportable Events

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

(i) principal and interest payment delinquencies;

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

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

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

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

(vi) tender offers;

(vii) defeasances;

(viii) rating changes; and

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

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

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

(i) non-payment related defaults;

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

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

(iv) bond calls;

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

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

(vi) appointment of a successor or additional trustee, or the change of name of a trustee; and

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

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

(c) Whenever the College concludes that a Listed Event or Material Event has occurred, it shall file through the Dissemination Agent in a timely manner not in excess of ten (10) Business Days after the occurrence of such event, a notice of such occurrence specifying the Listed Event or Material Event with the MSRB via EMMA.

(d) The Dissemination Agent shall obtain a written acknowledgment of or a receipt (including an electronic receipt or confirmation) for any notice delivered to the MSRB via EMMA, which shall specify, among other things, the date the notice was received. All such written acknowledgements or receipts of notice shall be sent to the College and shall be retained by the Dissemination Agent and the College until the termination of this Disclosure Agreement.

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

(f) At the same time that the College provides any notice pursuant to clauses (a), (b), (c) or (e) of this Section 4 to the MSRB via EMMA, the College shall provide a copy to the Authority, the Trustee (if the Trustee is not the Dissemination Agent) and, so long as the Municipal Bond Insurance Policy is in effect and the Bond Insurer is not in default of its obligations thereunder, to the Bond Insurer.

Section 5. Amendment; Waiver

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

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

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

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

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

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

Section 6. Other Information; Duties Under the Indenture

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

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

Section 7. Default

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

(b) A default under the Disclosure Agreement shall not be or be deemed to be a default under the Bonds, the Indenture or the Act and the sole remedy in the event of a failure by the College or the Dissemination Agent to comply with the provisions hereof shall be the action to compel performance described in clause (a) above.

Section 8. Concerning the Dissemination Agent

(a) The Dissemination Agent accepts and agrees to perform the duties imposed on it by this Disclosure Agreement, and no further duties or responsibilities shall be implied, but only upon the terms and conditions set forth herein. The Dissemination Agent may execute any powers hereunder and perform any duties required of it through attorneys, agents, and other experts, officers, or employees, selected by it, and the written advice of such counsel or other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon. The Dissemination Agent shall not be answerable for the default or misconduct of any attorney, agent, expert or employee selected by it with reasonable care. The Dissemination Agent shall not be answerable for the exercise of any discretion or power under this Disclosure Agreement, except only its own willful misconduct or negligence.

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

(c) The Dissemination Agent shall reimburse the College for the amount of any direct liabilities, costs and expenses which the College may incur in connection with or relating to the negligence or willful misconduct of the Dissemination Agent under this Disclosure Agreement.

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

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

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

Section 9. Term of Disclosure Agreement

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

Section 10. Beneficiaries

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

Section 11. Notices

Any written notice to or demand may be served, presented or made to the persons named below and shall be sufficiently given or filed for all purposes of this Disclosure Agreement if deposited in the United States mail, first class postage prepaid or in a recognized form of overnight mail or by electronic facsimile (“Fax”) with confirmation of receipt, addressed:

(a) To the Dissemination Agent/Trustee:

The Bank of New York Mellon Trust Company, N.A.
One Oxford Center
Suite 1100
301 Grant Street
Pittsburgh, PA 15219
Telecopy No.: (412) 456-5565/5567

(b) To the College Representative:

Delaware County Community College
Office of the Vice President for Administration and Treasurer
901 South Media Line Road
Media, PA 19063
Attention: Vice President for Administration and Treasurer
Telecopy No.: (610) 359-5105

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

(d) To the Authority:

State Public School Building Authority
1035 Mumma Road
Wormleysburg, PA 17043
Attention: Executive Director

(e) To the Bond Insurer:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Closing Coordinator

Section 12. No Personal Recourse

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

Section 13. Controlling Law

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

Section 14. Successors and Assigns

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

Section 15. Headings for Convenience Only

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

Section 16. Counterparts

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, DELAWARE COUNTY COMMUNITY COLLEGE has caused this Disclosure Agreement to be executed and attested by its (Vice) President and (Assistant) Secretary, respectively and its seal to be hereunto affixed and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** has caused this Disclosure Agreement to be executed by its (Assistant)(Vice) President and Authorized Officer, respectively, and its seal to be hereunto affixed, all as of the day and year first above written.

DELAWARE COUNTY COMMUNITY COLLEGE

(SEAL)

By:____
(Vice) President

Attest:______________________________________
(Assistant) Secretary

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

(SEAL)

By:____
(Assistant) (Vice) President

Attest:______________________________________
Authorized Officer

Schedule 1

Annual Financial Information

The College will provide financial and operating data, including audited financial statements, generally consistent with the following information contained in Appendix A of the Official Statement, dated September 18, 2014, relating to the Bonds (the "Official Statement") within 180 days following the end of each fiscal year of the College beginning with the fiscal year ending June 30, 2014, including:

- Enrollment
- Student fees and Charges
- Financial Aid

Schedule 2

NOTICE THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	State Public School Building Authority
Name of Bond Issue:	State Public School Building Authority (Commonwealth of Pennsylvania) College Revenue Bonds (Delaware County Community College Project), Series of 2014 (the "Bonds")
Name of College:	Delaware County Community College (the "College")
Date of Issue:	September __, 2014

NOTICE IS HEREBY GIVEN that the College has not provided its Annual Financial Information with respect to the Bonds as required by the Continuing Disclosure Agreement, dated September __, 2014, between the College and The Bank of New York Mellon Trust Company, N.A. The College anticipates that the Annual Financial Information will be filed by ____________________.

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

as Dissemination Agent

By:__________________________

Authorized Signatory

cc: Delaware County Community College

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Delaware County
Community College