



Grant Thornton

Agreed-Upon Procedures

Community College of Philadelphia

June 30, 2014

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Report of Independent Certified Public Accountants

Board of Trustees
Community College of Philadelphia and
Commonwealth of Pennsylvania Department of Education

We have performed the procedures enumerated below, which were agreed to by management of the Community College of Philadelphia (the College), based on criteria as outlined by the Commonwealth of Pennsylvania Department of Education (PDE) in the Statement of Auditing and Accounting Standards for Community Colleges FY 2013-14 (the Statement). The procedures have been performed to assist in evaluating the compliance of the accompanying Schedule A - Total Eligible Full-Time Equivalent (FTE) Students, Schedule B - Tuition Compliance Calculation and Tuition Equalization Account Status, and Schedule C - Schedule of Capital Mandated Expenses - State Share with the requirements of the Statement. The College's management is responsible for meeting those requirements and maintaining records in accordance with the Statement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, promulgated by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

General

1. We read Chapter 35, "Community Colleges" (Chapter 35), and Chapter 335, "Community College Courses" (Chapter 335), of Commonwealth of Pennsylvania Code Title 22.

Procedures Related to Schedule A - Total Eligible Full-Time-Equivalent (FTE) Students

2. We agreed amounts in Schedule A to detailed supporting schedules.

We found such amounts to be in agreement with detailed supporting schedules.

3. We selected a sample of 40 "Credit" students, obtained supporting documentation from the College, and performed the following procedures:
 - a. Determined whether the student was enrolled in an eligible course.
 - b. Determined whether the student was appropriately registered.
 - c. Determined whether the student was enrolled as of the end of the refund period, as defined in Chapter 35.

- d. Determined whether the student was a Pennsylvania resident.
- e. Determined whether the student was appropriately included in or excluded from Schedule A.

We selected the following records:

	<u>Student ID</u>	<u>Semester</u>	<u>Subject Major Code</u>	<u>Subject</u>	<u>Course Number</u>
1	J00123884	201340	BIOL	Biology	106
2	J00056092	201340	NURS	Nursing	231
3	J01238432	201435	ENGL	English	101
4	J00184790	201340	CIS	Computer Information Studies	103
5	J00017496	201410	ENGL	English	101
6	J00174145	201410	BEHS	Behavioral Science	101
7	J00153630	201335	ENGL	English	81
8	J00187415	201335	HIST	History Philosophy & Religion	122
9	J00185352	201340	HIST	History Philosophy & Religion	298H
10	J01193617	201410	BIOL	Biology	106
11	J00091620	201340	PHOT	Photographic Imaging	217
12	J00167274	201435	BIOL	Biology	106
13	J01064189	201340	MM	Marketing & Management	141
14	J00185025	201340	MATH	Mathematics	17
15	J00078116	201410	ENGL	English	98
16	J00148874	201435	MATH	Mathematics	17
17	J00140547	201410	BEHS	Behavioral Science	215
18	J00137229	201340	HIST	History Philosophy & Religion	298H
19	J01244149	201340	SOCS	Social Science	101
20	J00179353	201410	JUST	Justice	281
21	J00181607	201410	MATH	Mathematics	17
22	J00189711	201340	ENGL	English	99
23	J00037627	201410	AUTO	Automotive Technology	271
24	J00159926	201335	MATH	Mathematics	17
25	J00042220	201410	ENGL	English	124
26	J00146793	201410	HIST	History Philosophy & Religion	101
27	J00103853	201340	SOCS	Social Science	112
28	J00158407	201335	CR	Cardio Respiratory	104
29	J01279426	201410	CIS	Computer Information Studies	103
30	J00063940	201340	BHHS	Behavioral Health/Human Serv.	213
31	J00174242	201410	ENGL	English	91
32	J01283027	201335	PHOT	Photographic Imaging	101
33	J01148980	201340	BEHS	Behavioral Science	101
34	J00188408	201435	MATH	Mathematics	17
35	J00182220	201340	ENGL	English	98
36	J00148705	201410	SOCS	Social Science	101
37	J00194458	201410	BIOL	Biology	110

38	J00152225	201340	ENGL	English	102
39	J00186658	201340	ENGL	English	98
40	J00096433	201340	ART	Art	109

We noted that the selected students were enrolled in eligible courses, appropriately registered, enrolled as of the end of the refund period as defined in Chapter 35, and were Pennsylvania residents, and that the selected students were appropriately included in Schedule A.

4. We selected a sample of 40 "Noncredit" students, obtained supporting documentation from the College, and performed the following procedures:
 - a. Determined whether the student was enrolled in an eligible course. Avocational/Recreational courses as defined in Chapter 335 are specifically excluded.
 - b. Determined whether the student was appropriately registered.
 - c. Determined whether the student was enrolled as of the end of the refund period, as defined in Chapter 35.
 - d. Determined whether the student was a Pennsylvania resident.
 - e. Determined whether the student was appropriately included in or excluded from Schedule A.

We selected the following records:

	<u>Student ID</u>	<u>Semester</u>	<u>Subject Major Code</u>	<u>Subject Code</u>	<u>Course Name</u>
1	J00194623	201340	MANG	B9631	Business and Financial Service
2	J00167836	201335	TRUB	A8588	Trio Upward Bound Program
3	J00145790	201340	ESLP	A8610	ESL Program Courses
4	J00195525	201410	MECA	B6008	TAACCCT Advanced Manufacturing
5	J00973468	201410	TECN	B7043	Information Technology Program
6	J00205266	201410	TECN	B7038	Information Technology Program
7	J00138550	201410	TRAN	B8002	Automotive Services
8	J00201614	201410	TRAN	B8002	Automotive Services
9	J00634002	201340	TRAN	B8013	Automotive Services
10	J01083988	201410	TRAN	B8002	Automotive Services
11	J00913691	201435	TRAN	B8013	Automotive Services
12	J00026038	201340	LLAB	E8326	Learning Lab
13	J00208247	201410	COMM	B7533	Business and Financial Service
14	J00192264	201340	GEDP	A8812	GED Program Courses
15	J00193288	201340	ACCO	B7578	Accounting/Finance Cont. Ed.
16	J00118902	201340	LLAB	E8335	Learning Lab
17	J00168839	201340	ESSW	E7500	Educational Supp Serv Workshop
18	J00192362	201340	ESLP	A8610	ESL Program Courses
19	J00193338	201410	ESLP	A8610	ESL Program Courses
20	J00060480	201340	ESLP	A8609	ESL Program Courses
21	J00164229	201340	LLAB	E8335	Learning Lab
22	J00185857	201340	ESSW	E7701	Educational Supp Serv Workshop
23	J00196245	201410	ESSW	E7700	Educational Supp Serv Workshop

24	J01000893	201410	LLAB	E8305	Learning Lab
25	J00183016	201410	ESLP	A8610	ESL Program Courses
26	J00192054	201335	RECR	A7209	Recreational Courses
27	J00196128	201340	TRAN	B8002	Automotive Services
28	J00201041	201410	RECR	A7209	Recreational Courses
29	J00201040	201410	RECR	A7209	Recreational Courses
30	J00193254	201340	RECR	A7209	Recreational Courses
31	J00069217	201410	RECR	A7209	Recreational Courses
32	J01361916	201435	MANG	B9663	Business and Financial Service
33	J00634002	201340	TRAN	B8006	Automotive Services
34	J01189736	201410	PHAR	B8003	Pharmacy Technician
35	J00169721	201340	LLAB	E8307	Learning Lab
36	J00143929	201410	ESLP	A8611	ESL Program Courses
37	J00195521	201340	MECA	B6007	TAACCCT Advanced Manufacturing
38	J00050095	201340	GEDP	A8812	GED Program Courses
39	J00142642	201340	EDCA	B8013	Education Services Con't Ed
40	J00160337	201340	TRUB	E8541	Trio Upward Bound Program

We noted that the selected students were enrolled in eligible courses, appropriately registered, enrolled as of the end of the refund period as defined in Chapter 35, were Pennsylvania residents, and that the selected students were appropriately included in Schedule A.

5. We agreed total operating expense per Schedule B to agree to the audited financial statements, as of and for the year ended June 30, 2014.

We found operating expenses per Schedule B to agree to the audited financial statements as of and for the year ended June 30, 2013.

6. We traced and agreed the amounts in Schedule B to source documents.

We found such amounts to be in agreement.

7. We verified whether depreciation and amortization costs were not deducted from operating costs in accordance with Commonwealth of Pennsylvania guidelines for fiscal year 2013-14.

We found no depreciation and amortization costs had been deducted from operating costs for fiscal year 2013-2014.

Procedures Related to Schedule C - Schedule of Capital Mandated Expenses - State Share

8. We agreed "Debt Service Reimbursement" amounts to debt service schedules for 100% of the projects for which state reimbursement of up to 50% is provided and recalculated PDE reimbursement amounts.

We found such amounts to be in agreement with debt service schedules and recalculated PDE reimbursement amounts without exception.

9. If applicable, we agreed 100% of the "Nonrecurring (One-time) Cash Projects" for which state reimbursement of up to 50% is provided to supporting documentation and recalculated PDE reimbursement amounts.

We agreed to supporting documentation with no exceptions.

10. We agreed 100% of "Leases/Rental Cost - Facilities and Variable" for which state reimbursement of up to 50% is provided to supporting facilities leases and terms, and recalculated PDE reimbursement amounts.

We found the following amount to represent 50% of the negotiated lease payments for the leases listed for the year ended June 30, 2014:

1500 Spring Garden Street	\$ 6,815
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11. We agreed "Other Leases of Equipment and Furnishings" items for which state reimbursement of up to 50% is provided to supporting agreements and recalculated PDE reimbursement amounts.

We found the following amount to represent 50% of the negotiated lease payments for the lease listed for the year ended June 30, 2014:

Total Other Leases	\$ 164,075
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We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Schedule A - Total Eligible Full-Time-Equivalent (FTE) Students, Schedule B - Tuition Compliance Calculation and Tuition Equalization Account Status, and Schedule C - Schedule of Capital Mandated Expenses - State Share. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Board of Trustees of the Community College of Philadelphia and the Commonwealth of Pennsylvania Department of Education and is not intended to and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Philadelphia, Pennsylvania

December 22, 2014

Pennsylvania Community Colleges

Total Eligible Full-Time Equivalent (FTE) Students - Schedule A

Institution: Community College of Philadelphia

FISCAL YEAR ENDED: 6/30/2014

	A	B	C	D	E	F	G
	Second Summer Session	Fall Semester	Winter Semester	Spring Semester	First Summer Session	Total FTE-Base	Annualized FTE (FTE-Base divided by 2)
A. CREDIT							
1. Non-Stipend Credit							
Full-Time	5.0	3,728.0		3,461.0	11.0	7,205.0	(a)
Part-Time	1,399.8	5,626.2		5,619.9	1,894.9	14,540.9	(b)
Total Non-Stipend Credit	1,404.8	9,354.2		9,080.9	1,905.9	21,745.9	(c)
2. Economic Development Stipend:							
High Priority - Occupational							
Full-Time		913.0		956.0	3.0	1,872.0	(d)
Part-Time	345.0	1,753.0		1,766.0	458.0	4,322.0	(e)
Total High Priority Occup FTEs	345.0	2,666.0		2,722.0	461.0	6,194.0	(f)
High Priority - High Cost - Occupational							
Full-Time		180.0		134.0	1.0	315.0	(g)
Part-Time	69.0	368.0		405.0	113.0	955.0	(h)
Total High Priority - High Cost - Occup FTEs	69.0	548.0		539.0	114.0	1,270.0	(i)
Workforce Development (Non-Credit)							
Full-Time		83.7		67.9	6.5	162.3	(j)
Part-Time	4.2	83.7		67.9	6.5	162.3	(k)
Total Workforce Dev FTEs	4.2	167.4		135.8	13.0	324.6	(l)
Total EDS FTEs Full-Time (d) + (g) + (i)							(m)
Total EDS FTEs Part-Time (e) + (h) + (k)	418.2	2,204.7		2,238.9	577.5	5,439.3	(n)
Total Economic Development Stipend FTEs (f) + (i) + (l)	418.2	3,297.7		3,328.9	581.5	7,626.3	(o)
B. NON-CREDIT							
1. Other Non-Credit Continuing Ed							
Full-Time	54.3	403.8		269.3	112.2	839.6	(p)
Part-Time	54.3	403.8		269.3	112.2	839.6	(q)
Total Non-Credit Continuing Ed FTE	108.6	807.6		538.6	224.4	1,679.2	(r)
TOTALS							
1. Credit FTEs							
<i>(does not include Workforce Development)</i>							
Full-Time (a) + (d) + (g)	5.0	4,821.0		4,551.0	15.0	9,392.0	(s)
Part-Time (b) + (e) + (h)	1,813.8	7,747.2		7,790.9	2,465.9	19,817.9	(t)
Total Credit FTEs	1,818.8	12,568.2		12,341.9	2,480.9	29,209.9	(u)
2. Non-Credit FTEs							
Full-Time = (p)							(v)
Part-Time = (q)	54.3	403.8		269.3	112.2	839.6	(w)
Total Non-Credit Continuing Ed FTE	54.3	403.8		269.3	112.2	839.6	(x)
Total Workforce Dev FTEs = (l)	4.2	83.7		67.9	6.5	162.3	(y)
Total CREDIT AND NON-CREDIT FTEs (u) + (x) + (v)	1,877.3	13,055.8		12,679.1	2,599.6	30,211.8	(z)
* Must Match The College's 2013-14 May Rebudget Submission.							
							2013-14* Annualized FTE
							11,133.25
							2,959.58
							537.17
							74.99
							425.48
							14,638.70
							425.48
							74.99
							15,138.57

Community College of Philadelphia
 Tuition Compliance Calculation - Schedule B
 6/30/2014

TOTAL OPERATING EXPENSES * \$ 166,155,690

DEDUCTIONS:

Scholarships and Fellowships (Financial Aid)	\$ 11,008,528
Auxiliary Enterprise and Foundation Expenditures	\$ 895,541
Rentals/Leases approved for Capital Reimbursement	\$ 910,465
Student Activities Expense	\$ 2,714,901
Library Books and Audio Visual Media	\$ (179,569)
Indirect Costs	\$ 383,043
Current Value of Unused Vacation	\$ (43,007)
Avocational and Recreational Expense	\$ -
State Funded FICA and Retirement (PSERS)	\$ 2,659,520

Tuition remission, waivers, bad debts that may be used to determine tuition collected \$ 18,349,422

REIMBURSABLE OPERATING COSTS - TUITION COMPLIANCE \$ 147,806,268

OPERATING COST BASE - TUITION COMPLIANCE (1/3) \$ 49,268,756

TOTAL TUITION INCOME \$ 61,390,430

DEDUCTIONS:

66.67% of total out-of-state tuition	\$ 3,534,874
50% of total of non-sponsored tuition	\$ 1,741,651
50% of contracted non-credit program revenue** (from Contracted Training Worksheet Item (c))	\$ 144,142

\$ 55,969,763 (b)

Student Share Percentage of Operating Costs 37.87%

* Total Operating Expenses Must Match Audited Financial Statements

No exclusion of depreciation expense starting for fiscal year 2010.

**Use only if contracted revenue is included in Tuition Income and contracted FTEs are reimbursable.

TUITION EQUALIZATION ACCOUNT STATUS		Fiscal Year Ending
		June 30, 2014
June 30 Balance of Tuition Equalization Account	\$ 25,203,695	\$ 31,904,702

Community College of Philadelphia
Tuition Compliance Calculation - Schedule B - Continued
6/30/2014

Reimbursable Operating Costs	\$ 147,806,268
Total Non-Credit and Credit FTEs	15,105.9
Average Costs per FTEs [(a) divided by (b)]	\$ 9,784.66
Total Contracted Revenue	\$ 288,284
Contracted FTEs [annualized - divided by 2]	210.4
Average Contract Revenue per Contract FTEs [(c) divided by (d)]	\$ 1,370.17

SCHEDULE OF CAPITAL MANDATED EXPENSES - STATE SHARE - Schedule C

FISCAL YEAR ENDED: 6/30/2014

Name and Email as Prepared by:

Institution:

State Share State Share
Amount Received Amount Expended

1. Debt Service Reimbursement

(Include annual Bond Amortization and Short Term Loans/Notes - list by project, series, issue)

2013 Series B - Community College Revenue Bonds	\$ 649,907	\$ 649,907
2006 Series B - Community College Revenue Bonds	187,813	187,813
2007 Series B - Community College Revenue Bonds	1,549,290	1,549,289
2008 Series B - Community College Revenue Bonds	3,526,444	3,526,444
2013 Loan - Community College Revenue Revolving Loan	188,621	188,621
Sub-total Debt Service Reimbursement	6,102,075	6,102,075

2. Nonrecurring (One-time) Cash Projects

Smart Classroom Conversion
Sub-total Cash Project Reimbursement

211,450	211,450
211,450	211,450

3. Leases/Rental Cost - Facilities and Variable

(Include annual cost of Facilities Leases by facility - net of any rental income)

1500 Spring Garden Street	6,815	6,815
	10,000	675
Sub-total Facilities and Variable Reimbursement	16,815	7,490

SCHEDULE OF CAPITAL MANDATED EXPENSES - STATE SHARE - Schedule C - Continued

FISCAL YEAR ENDED: 6/30/2014

Name and Email as Prepared by:

Institution:

4. Other Leases of Equipment and Furnishings

(Provide specific listing of leases -
include annual cost of Equipment
and Furnishings)

Copiers	\$	4,003	\$	4,003
High Speed Canon Copiers		21,324		20,800
Sun Server Equipment		19,926		19,926
Sun Server Equipment		13,978		-
PC Leases		104,844		90,186
Sub-total Equipment and Furnishings Reimbursement		164,075		134,914

TOTAL OF DEBT SERVICE AND LEASES \$ 6,494,415 \$ 6,455,929

**NOTE: State Amount Expended should not exceed
State Amount Received. If a difference does
exist, please provide a footnote to this page
explaining the variance.**