

Agreed-Upon Procedures

Community College of Philadelphia

June 30, 2016

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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 (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 prepared by the College.

We found such amounts to be in agreement with detailed supporting schedules prepared by the College.

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:

	Student ID	Semester	Subject Major Code	Subject	Course Number
1	J00154576	201610	FNMT	Foundational Mathematics	118
2	J00021686	201610	CIS	Computer Info Sys	103
3	J00139146	201610	ENGL	English	101
4	J00209042	201610	ENGL	English	102
5	J00197868	201540	ED	Education	105
6	J00230364	201610	ENGL	English	98
7	J00260177	201635	ACCT	Accounting	101
8	J00219506	201610	HIST	History	221
9	J00210154	201540	ENGL	English	99
10	J00186918	201540	CHEM	Chemistry	122
11	J00174815	201610	BIOL	Biology	106
12	J00232529	201540	ENGL	English	108
13	J00164164	201540	COUN	Counseling	101
14	J00198122	201540	SOC	Sociology	101
15	J00237017	201540	ENGL	English	101
16	J00224386	201540	JAPN	Japanese	101
17	J00219494	201635	CSCI	Computer Science	111
18	J00238502	201610	ENGL	English	81
19	J00194268	201540	PSYC	Psychology	201
20	J00196556	201610	PSYC	Psychology	101
21	J00135680	201610	AH	Allied Health	220
22	J00241438	201540	BIOL	Biology	241
23	J00189348	201540	MNGT	Management	142
24	J00238188	201540	HIST	History	170
25	J00204453	201540	MATH	Mathematics	271
26	J00170184	201540	MATH	Mathematics	172
27	J00144848	201540	BIOL	Biology	110
28	J00138753	201610	ADC	Architecture/Dsgn/Construction	103
29	J00222356	201535	HIST	History	102
30	J00228509	201540	FNMT	Foundational Mathematics	17
31	J00200816	201610	PHIL	Philosophy	101
32	J00226785	201610	ENGL	English	81
33	J01282583	201540	FNMT	Foundational Mathematics	17
34	J00077535	201610	PSYC	Psychology	215
35	J00721900	201635	FIN	Finance	151
36	J00201775	201540	FNMT	Foundational Mathematics	118
37	J00230306	201540	RS	Religious Studies	101
38	J00062566	201540	ENGL	English	102
39	J00011267	201540	ENGL	English	102
40	J00206453	201540	ENGL	English	102

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:

	Student ID	Semester	Subject Major Code	Subject Code	Course Name
1	J00204419	201610	EDCA	B8049	Education Services Con't Ed
2	J00203652	201610	ESLP	A8610	ESL Program Courses
3	J00739752	201535	TRAN	B8002	Automotive Services
4	J00922390	201540	PHAR	B8003	Pharmacy Technician
5	J00259619	201635	MANG	B9629	Business and Financial Service
6	J00204832	201540	LLAB	E8307	Learning Lab
7	J00241256	201535	ACEP	E8020	ACE Program Courses
8	J00241021	201540	TRUB	E8541	Trio Upward Bound Program
9	J00217200	201610	RECR	A7209	Recreational Courses
10	J00196460	201540	ESLP	A8610	ESL Program Courses
11	J00245213	201540	TRAN	B8006	Automotive Services
12	J00136198	201540	CPAC	B7038	Certified Public Accountant CE
13	J00203145	201610	LLAB	E8340	Learning Lab
14	J00193288	201540	ACCO	B7560	Accounting/Finance Cont. Ed.
15	J00255108	201610	TRUB	E8531	Trio Upward Bound Program
16	J00204548	201610	TRUB	E8525	Trio Upward Bound Program
17	J00848252	201540	TRAN	B8002	Automotive Services
18	J01196721	201635	EDCA	B8052	Education Services Con't Ed
19	J00237835	201540	RECR	A7209	Recreational Courses
20	J00226479	201540	JUSC	E7701	Educational Supp Serv Workshop
21	J00263615	201635	TRAN	B8042	Automotive Services
22	J00198010	201540	LLAB	E8340	Learning Lab
23	J00249949	201540	TECN	B7102	Information Technology Program
24	J00256824	201610	TRAN	B8006	Automotive Services
25	J00229209	201540	ESSW	E7701	Educational Supp Serv Workshop
26	J00253071	201610	ESLP	A8609	ESL Program Courses
27	J00242696	201610	LLAB	E8340	Learning Lab
28	J00231811	201540	LLAB	E8307	Learning Lab

	Student ID	Semester	Subject Major Code	Subject Code	Course Name
29	J00242024	201540	ESSW	E7700	Educational Supp Serv Workshop
30	J00222114	201540	TRUB	E8541	Trio Upward Bound Program
31	J00172933	201540	GTWY	A7000	Gateway to College Program
32	J00243281	201610	LLAB	E8340	Learning Lab
33	J00249953	201540	TECN	B7102	Information Technology Program
34	J00038452	201610	TRAN	B8006	Automotive Services
35	J00246321	201540	TRAN	B8002	Automotive Services
36	J00212733	201540	ESLP	A8611	ESL Program Courses
37	J00019284	201635	PHAR	B8002	Pharmacy Technician
38	J00045701	201610	COMM	B7547	Business Writing That Works
39	J00200637	201540	RECR	A7209	ESL Orientation Workshop
40	J00223462	201610	LLAB	E8340	Learning Lab

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.

- We agreed total operating expense per Schedule B to agree to the audited financial statements, as of and for the year ended June 30, 2016.

We found operating expenses per Schedule B to agree to the audited financial statements as of and for the year ended June 30, 2016.

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

We found such amounts to be in agreement.

- We verified whether depreciation and amortization costs were not deducted from operating costs in accordance with Commonwealth of Pennsylvania guidelines for fiscal year 2015-16.

We found no depreciation and amortization costs had been deducted from operating costs for fiscal year 2015-2016.

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

- 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.

- 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, 2016:

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, 2016:

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 20, 2016

Pennsylvania Community Colleges

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

Name and Email as Prepared by: James P. Spiewak

Institution: Community College of Philadelphia

FISCAL YEAR ENDED: 6/30/2016

(Formulas are contained in the shaded areas. Complete unshaded areas.)

**FY2015-16*
May Rebudget
Annualized FTE**
*(Crosswalk
Notations Made
Below to Obtain
Totals from
Signature Page)*

	A	B	C	D	E	F	G	
	Second Summer Session	2015 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	7.00	3,844.00	-	3,283.00	4.00	7,138.00		(a)
Part-Time	1,344.04	5,799.69	31.75	5,523.09	1,670.77	14,369.34		(b)
Total Non-Stipend Credit	1,351.04	9,643.69	31.75	8,806.09	1,674.77	21,507.34	10,753.67	(c)
2. Economic Development Stipend:								
High Priority - Occupational								
Full-Time	-	857.00	-	854.00	2.00	1,713.00		(d)
Part-Time	299.08	1,667.17	13.00	1,618.33	396.08	3,993.66		(e)
Total High Priority Occup FTEs	299.08	2,524.17	13.00	2,472.33	398.08	5,706.66	2,853.33	(f)
High Priority - High Cost - Occupational								
Full-Time	-	122.00	-	38.00	-	160.00		(g)
Part-Time	35.42	195.83	0.75	256.83	71.50	560.33		(h)
Total High Priority - High Cost - Occup FTEs	35.42	317.83	0.75	294.83	71.50	720.33	360.17	(i)
Workforce Development (Non-Credit)								
Full-Time	-	-	-	-	-	-		(j)
Part-Time	1.94	4.25	-	6.00	-	12.19		(k)
Total Workforce Dev FTEs	1.94	4.25	-	6.00	-	12.19	6.10	(l)
Total EDS FTEs Full-Time (d) + (g) + (i)	-	979.00	-	892.00	2.00	1,873.00	936.50	(m)
Total EDS FTEs Part-Time (e) + (h) + (k)	336.44	1,867.25	13.75	1,881.16	467.58	4,566.18	2,283.09	(n)
Total Economic Development Stipend FTEs ((f) + (i) + (l))	336.44	2,846.25	13.75	2,773.16	469.58	6,439.18	3,219.59	(o)
B. NON-CREDIT								
1. Other Non-Credit Continuing Ed								
Full-Time	-	-	-	-	-	-		(p)
Part-Time	58.32	300.49	-	265.41	92.23	716.45		(q)
Total Non-Credit Continuing Ed FTE	58.32	300.49	-	265.41	92.23	716.45	358.23	(r)
TOTALS								
1. Credit FTEs								
<i>(does not include Workforce Development)</i>								
Full-Time (a) + (d) + (g)	7.00	4,823.00	-	4,175.00	6.00	9,011.00		(s)
Part-Time (b) + (e) + (h)	1,678.54	7,662.69	45.50	7,398.25	2,138.35	18,923.33		(t)
Total Credit FTEs	1,685.54	12,485.69	45.50	11,573.25	2,144.35	27,934.33	13,967.17	(u)
2. Non-Credit FTEs								
Full-Time = (p)	-	-	-	-	-	-		(v)
Part-Time = (q)	58.32	300.49	-	265.41	92.23	716.45		(w)
Total Non-Credit Continuing Ed FTE	58.32	300.49	-	265.41	92.23	716.45	358.23	(x)
Total Workforce Dev FTEs = (l)	1.94	4.25	-	6.00	-	12.19	6.10	(y)
TOTAL CREDIT AND NON-CREDIT FTEs (u) + (x) + (y)	1,745.80	12,790.43	45.50	11,844.66	2,236.58	28,662.97	14,331.49	(z)

* Must Match The College's 2015-16 May Rebudget Submission.

TUITION COMPLIANCE CALCULATION - Schedule B
FISCAL YEAR ENDED: 6/30/2016
Name and Email as Prepared by: Todd E. Murphy
Institution: Community College of Philadelphia

TOTAL OPERATING EXPENSES * \$ 167,676,896

DEDUCTIONS:

Scholarships and Fellowships (Financial Aid)	\$ 9,669,858	
Auxiliary Enterprise and Foundation Expenditures	\$ 690,098	
Rentals/Leases Approved for Capital Reimbursement	\$ 1,724,715	
Student Activities Expense	\$ 2,495,372	
Library Books and Audio Visual Media	\$ (143,670)	
Indirect Costs	\$ 468,579	
Current Value of Unused Vacation	\$ 93,751	
Avocational and Recreational Expense	\$ -	
State Funded FICA and Retirement (PSERS)	\$ 2,856,699	
Tuition remission, waivers, bad debts that may be used to determine tuition collected	\$ -	\$ 17,855,402

REIMBURSABLE OPERATING COSTS - TUITION COMPLIANCE \$ 149,821,494 (a)

OPERATING COST BASE - TUITION COMPLIANCE (1/3) \$ 49,940,498

TOTAL TUITION INCOME \$ 59,600,768

DEDUCTIONS:

66.67% of total out-of-state tuition	\$ 4,328,331	
50% of total of non-sponsored tuition	\$ 1,584,468	
50% of contracted non-credit program revenue** (from Contracted Training Worksheet Item (c))	\$ 164,854	\$ 6,077,653 \$ 53,523,115 (b)

Student Share Percentage of Operating Costs **35.72%**

* Total Operating Expenses Must Match Audited Financial Statements

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

TUITION EQUALIZATION ACCOUNT STATUS	Fiscal Year Ending June 30, 2015	Fiscal Year Ending June 30, 2016
June 30 Balance of Tuition Equalization Account	\$ 38,146,450	\$ 41,729,167

TUITION COMPLIANCE CALCULATION - Schedule B - Continued
CONTRACTED TRAINING WORKSHEET
FISCAL YEAR ENDED: 6/30/2016

Reimbursable Operating Costs	\$ 149,821,494	(a)
Total Non-Credit and Credit FTEs	14,331.49	(b)
Average Costs per FTEs [(a) divided by (b)]	\$ 10,454.01	
Total Contracted Revenue	\$ 329,708	(c)
Contracted FTEs [annualized - divided by 2]	73.86	(d)
Average Contract Revenue per Contract FTEs [(c) divided by (d)]	\$ 4,463.96	

SCHEDULE OF CAPITAL MANDATED EXPENSES - STATE SHARE - Schedule C

FISCAL YEAR ENDED: 6/30/2016

Name and Email as Prepared by: Todd Murphy and Jim Spiewak

Institution: Community College of Philadelphia

	<u>State Share Amount Received</u>	<u>State Share Amount Expended</u>
1. Debt Service Reimbursement		
(Include annual Bond Amortization and Short Term Loans/Notes - list by project, series, issue)		
2006 Series B-Community College Revenue Bonds	\$ 187,682	\$ 187,682
2007 Series B-Community College Revenue Bonds	1,546,189	1,546,189
2008 Series B-Community College Revenue Bonds	2,890,925	2,890,925
2013 Loan - Community College Revenue Revolving Loan	351,396	351,396
2015 Series B-Community College Revenue Bonds	340,425	340,425
Sub-total Debt Service Reimbursement	<u>5,316,617</u>	<u>5,316,617</u>
2. Nonrecurring (One-time) Cash Projects		
(List by project)		
Sub-total Cash Project Reimbursement	<u>-</u>	<u>-</u>
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
Variable Leases	10,000	1,350
Sub-total Facilities and Variable Reimbursement	<u>16,815</u>	<u>8,165</u>

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

FISCAL YEAR ENDED: 6/30/2016

Name and Email as Prepared by: Todd Murphy and Jim Spiewak

Institution: Community College of Philadelphia

	<u>State Share</u> <u>Amount Received</u>	<u>State Share</u> <u>Amount Expended</u>
<u>4. Other Leases of Equipment and Furnishings</u>		
(Provide specific listing of leases - include annual cost of Equipment and Furnishings)		
#1 Sun Servers	\$ 5,895	\$ 5,895
#2 Sun Servers	20,031	17,251
#3 Server	9,500	9,500
#4 High Speed Copiers	21,324	15,028
#5 Toshiba Satellite Copiers	4,003	4,003
#6 PCs (40080394)	2,596	2,596
#7 PCs (Sch 597)	7,065	7,065
#8 PCs (Sch 599)	13,467	13,467
#9 PCs (Sch 604)	8,366	8,366
#10 PCs (Sch 604)	6,744	6,744
#11 PCs (Sch 604)	4,617	4,617
#12 PCs (Sch 604)	11,324	11,324
#13 PCs (Sch 606)	5,088	5,088
#14 PCs (Sch 608)	16,721	16,721
#15 PCs (Sch 610)	16,080	16,080
#16 PCs (40118268)	3,140	3,140
#17 PCs (TBD)	8,114	8,114
Sub-total Equipment and Furnishings Reimbursement	164,075	154,999
TOTAL OF DEBT SERVICE AND LEASES	\$ 5,497,507	\$ 5,479,781

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.