

Agreed-Upon Procedures

**Community College of Philadelphia**

June 30, 2015

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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 2014-15 (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</u> <u>Major Code</u>	<u>Subject</u>	<u>Course</u> <u>Number</u>
1	J00088502	201440	CIS	Computer Info Sys	103
2	J00110245	201510	ENGL	English	101
3	J00111002	201440	CHEM	Chemistry	122
4	J00117181	201510	AT	Automotive Technology	121
5	J00047921	201440	BIOL	Biology	106
6	J00148569	201440	BHHS	Behavioral Health Human Svc	103
7	J00700423	201440	EASC	Earth Science	111
8	J00025795	201510	BHHS	Behavioral Health Human Svc	105
9	J00138063	201510	ENGL	English	102
10	J00138645	201510	ART	Art	109
11	J00762774	201510	BHHS	Behavioral Health Human Svc	101
12	J00768130	201510	ENGL	English	101
13	J01051179	201510	SOC	Sociology	101
14	J00110365	201535	ENGL	English	101
15	J00115942	201535	ENGL	English	108
16	J00069557	201440	MNGT	Management	262
17	J00183448	201440	ENGL	English	101
18	J01221086	201440	ENGL	English	115
19	J00197227	201510	ENGL	English	205
20	J00698303	201510	CLT	Clinical Lab Technology	295
21	J00203140	201440	ENGL	English	108
22	J00013948	201510	BIOL	Biology	109
23	J00967667	201510	LEAD	Leadership	114
24	J00154385	201440	ED	Education	265
25	J00036562	201510	PSYC	Psychology	201
26	J00183328	201510	MATH	Mathematics	118
27	J01149221	201510	PSYC	Psychology	101
28	J00171132	201510	SOC	Sociology	101
29	J00010080	201440	BHHS	Behavioral Health Human Svc	111
30	J00145415	201440	JUS	Justice	291
31	J01169681	201440	BHHS	Behavioral Health Human Svc	121
32	J00111638	201510	JUS	Justice	181
33	J00150472	201510	ENGL	English	101
34	J00206717	201510	JUS	Justice	261
35	J00150512	201535	MATH	Mathematics	161
36	J00052454	201440	CIS	Computer Info Sys	205
37	J00125792	201440	NURS	Nursing	231

38	J00976368	201510	NURS	Nursing	232
39	J00720804	201510	PLS	Paralegal Studies	251
40	J00218541	201510	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:*

<u>Student ID</u>	<u>Semester</u>	<u>Subject Major Code</u>	<u>Subject Code</u>	<u>Course Name</u>	
1	J00048554	201435	CNSV	B7004	TAACCCT Energy Conservation
2	J00218945	201440	CNSV	B7000	TAACCCT Energy Conservation
3	J00075794	201440	HEAL	B9063	Health Care
4	J00117250	201510	EDCA	B8013	Education Services Con’t Ed
5	J00132289	201440	HEAL	B9073	Health Care
6	J00150471	201510	HMTP	B8008	Hospitality Mngt Trng Program
7	J00157034	201440	MECA	B6012	TAACCCT Advanced Manufacturing
8	J00157442	201440	MECA	B6009	TAACCCT Advanced Manufacturing
9	J00158125	201440	TECN	B7038	Information Technology Program
10	J00213604	201435	MECA	B6006	TAACCCT Advanced Manufacturing
11	J00214114	201440	HEAL	B9073	Health Care
12	J00216897	201440	CNSV	B7000	TAACCCT Energy Conservation
13	J00220014	201440	HEAL	B9063	Health Care
14	J00220016	201440	HMTP	B8008	Hospitality Mngt Trng Program
15	J00220585	201440	EDCA	B8013	Education Services Con’t Ed
16	J00036247	201510	ESSW	E7500	Educational Supp Serv Workshop
17	J00076901	201440	ESSW	E7500	Educational Supp Serv Workshop
18	J00221753	201440	HEAL	B9063	Health Care
19	J00172347	201440	ESLP	A8610	ESL Program Courses
20	J00224686	201440	HEAL	B9073	Health Care
21	J00201364	201510	LLAB	E8307	Learning Lab
22	J00202478	201510	ABEP	A8016	Adult Basic Education Courses
23	J00229203	201510	HMTP	B8008	Hospitality Mngt Trng Program

24	J00231361	201510	HEAL	B9063	Health Care
25	J00232151	201510	HEAL	B9063	Health Care
26	J00203453	201440	GEDP	A8817	GED Program Courses
27	J01189669	201510	ESLP	A8609	ESL Program Courses
28	J00692082	201435	MECA	B6006	TAACCCT Advanced Manufacturing
29	J00774881	201435	CNSV	B7007	TAACCCT Energy Conservation
30	J00776698	201535	TECN	B7038	Information Technology Program
31	J00779710	201440	EDCA	B8013	Education Services Con't Ed
32	J00821839	201535	HEAL	B9073	Health Care
33	J00854869	201440	MECA	B6012	TAACCCT Advanced Manufacturing
34	J01115183	201440	MECA	B6009	TAACCCT Advanced Manufacturing
35	J01168086	201440	EDCA	B8013	Education Services Con't Ed
36	J01173046	201440	EDCA	B8013	Education Services Con't Ed
37	J01292561	201440	MECA	B6012	TAACCCT Advanced Manufacturing
38	J01292650	201440	HEAL	B9063	Health Care
39	J01318379	201510	HEAL	B9063	Health Care
40	J01333270	201440	EDCA	B8013	Education Services Con't Ed

*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, 2015.

*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 2014-15.

*We found no depreciation and amortization costs had been deducted from operating costs for fiscal year 2014-2015.*

#### **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, 2015:*

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, 2015:*

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 17, 2015

**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: 6/30/2015

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

	A	B	C	D	E	F	G	
	Second Summer Session	2014 Fall Semester	Winter Semester	Spring Semester	First Summer Session	Total FTE-Base	Annualized FTE (FTE-Base divided by 2)	
<b>A. CREDIT</b>								
<b>1. Non-Stipend Credit</b>								
Full-Time	1.0	3,581.0		4,238.0	3.0	7,823.0		(a)
Part-Time	1,324.2	6,028.2	33.5	5,134.3	1,917.7	14,437.9		(b)
<b>Total Non-Stipend Credit</b>	1,325.2	9,609.2	33.5	9,372.3	1,920.7	22,260.9	11,130.5	(c)
<b>2. Economic Development Stipend:</b>								
<b>High Priority - Occupational</b>								
Full-Time	1.0	841.0		826.0	1.0	1,669.0		(d)
Part-Time	299.7	1,596.1	9.8	1,599.4	428.5	3,933.4		(e)
<b>Total High Priority Occup FTEs</b>	300.7	2,437.1	9.8	2,425.4	429.5	5,602.4	2,801.2	(f)
<b>High Priority - High Cost - Occupational</b>								
Full-Time		107.0		52.0		159.0		(g)
Part-Time	37.3	259.3	2.0	272.3	71.6	642.6		(h)
<b>Total High Priority - High Cost - Occup FTEs</b>	37.3	366.3	2.0	324.3	71.6	801.6	400.8	(i)
<b>Workforce Development (Non-Credit)</b>								
Full-Time						-		(j)
Part-Time	6.1	90.5				96.5		(k)
<b>Total Workforce Dev FTEs</b>	6.1	90.5	-	35.7	11.4	143.7	71.8	(l)
<b>Total EDS FTEs Full-Time (d) + (g) + (i)</b>	1.0	948.0	-	878.0	1.0	1,828.0	914.0	(m)
<b>Total EDS FTEs Part-Time (e) + (h) + (k)</b>	343.1	1,945.9	11.8	1,871.7	500.1	4,672.5	2,336.3	(n)
<b>Total Economic Development Stipend FTEs ((f) + (i) + (l))</b>	344.1	2,893.9	11.8	2,785.5	512.5	6,547.7	3,273.8	(o)
<b>B. NON-CREDIT</b>								
<b>1. Other Non-Credit Continuing Ed</b>								
Full-Time						-		(p)
Part-Time	47.7	336.4		240.4	84.8	709.3		(q)
<b>Total Non-Credit Continuing Ed FTE</b>	47.7	336.4	-	240.4	84.8	709.3	354.7	(r)
<b>TOTALS</b>								
<b>1. Credit FTEs</b>								
<i>(does not include Workforce Development)</i>								
Full-Time (a) + (d) + (g)	2.0	4,529.0	-	5,116.0	4.0	9,651.0		(s)
Part-Time (b) + (e) + (h)	1,661.2	7,883.6	45.3	7,006.1	2,417.8	19,013.9		(t)
<b>Total Credit FTEs</b>	1,663.2	12,412.6	45.3	12,122.1	2,421.8	28,664.9	14,332.5	(u)
<b>2. Non-Credit FTEs</b>								
Full-Time = (p)	-	-	-	-	-	-		(v)
Part-Time = (q)	47.7	336.4	-	240.4	84.8	709.3		(w)
<b>Total Non-Credit Continuing Ed FTE</b>	47.7	336.4	-	240.4	84.8	709.3	354.7	(x)
<b>Total Workforce Dev FTEs = (l)</b>	6.1	90.5	-	35.7	11.4	143.7	71.8	(y)
<b>TOTAL CREDIT AND NON-CREDIT FTEs (u) + (x) + (y)</b>	1,716.9	12,839.5	45.3	12,398.2	2,518.1	29,517.9	14,759.0	(z)

FY2014-15\*  
**May Rebudget  
 Annualized FTE**  
*(Crosswalk  
 Notations Made  
 Below to Obtain  
 Totals from  
 Signature Page)*

\* Must Match The College's 2014-15 May Rebudget Submission.

**TUITION COMPLIANCE CALCULATION - Schedule B**  
**FISCAL YEAR ENDED: 6/30/2015**  
**Name and Email as Prepared by: Todd E. Murphy**  
**Institution: Community College of Philadelphia**

**TOTAL OPERATING EXPENSES \*** \$ 163,444,669

**DEDUCTIONS:**

Scholarships and Fellowships (Financial Aid)	\$ 8,897,592	
Auxiliary Enterprise and Foundation Expenditures	\$ 981,734	
Rentals/Leases approved for Capital Reimbursement	\$ 771,188	
Student Activities Expense	\$ 2,824,040	
Library Books and Audio Visual Media	\$ (115,243)	
Indirect Costs	\$ 460,837	
Current Value of Unused Vacation	\$ (169,960)	
Avocational and Recreational Expense	\$ -	
State Funded FICA and Retirement (PSERS)	\$ 2,706,400	
Tuition remission, waivers, bad debts that may be used to determine tuition collected	\$ -	\$ 16,356,588

**REIMBURSABLE OPERATING COSTS - TUITION COMPLIANCE** \$ 147,088,081 (a)

**OPERATING COST BASE - TUITION COMPLIANCE (1/3)** \$ 49,029,360

**TOTAL TUITION INCOME** \$ 61,239,935

**DEDUCTIONS:**

66.67% of total out-of-state tuition	\$ 4,108,120	
50% of total of non-sponsored tuition	\$ 1,681,088	
50% of contracted non-credit program revenue** (from Contracted Training Worksheet Item (c))	\$ 179,519	\$ 5,968,727 \$ 55,271,208 (b)

**Student Share Percentage of Operating Costs** **37.58%**

\* 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, 2014	Fiscal Year Ending June 30, 2015
June 30 Balance of Tuition Equalization Account	\$ 31,904,702	\$ 38,146,450

**TUITION COMPLIANCE CALCULATION - Schedule B - Continued**  
**CONTRACTED TRAINING WORKSHEET**  
**FISCAL YEAR ENDED: 6/30/2015**

Reimbursable Operating Costs	\$ 147,088,627	(a)
Total Non-Credit and Credit FTEs	14,759.0	(b)
Average Costs per FTEs [(a) divided by (b)]	\$ 9,966.03	
Total Contracted Revenue	\$ 358,873	(c)
Contracted FTEs [annualized - divided by 2]	116.8	(d)
Average Contract Revenue per Contract FTEs [(c) divided by (d)]	\$ 3,073.86	

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

**FISCAL YEAR ENDED: 6/30/2015**

**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>
<b><u>1. Debt Service Reimbursement</u></b>		
(Include annual Bond Amortization and Short Term Loans/Notes - list by project, series, issue)		
2006 Series B-Community College Revenue Bonds	\$ 187,888	\$ 187,888
2007 Series B-Community College Revenue Bonds	1,544,532	1,544,532
2008 Series B-Community College Revenue Bonds	2,892,450	2,892,450
2013 Loan - Community College Revenue Revolving Loan	188,621	188,621
<b>Sub-total Debt Service Reimbursement</b>	<b>4,813,491</b>	<b>4,813,491</b>
<b><u>2. Nonrecurring (One-time) Cash Projects</u></b>		
(List by project)		
<b>Sub-total Cash Project Reimbursement</b>	<b>-</b>	<b>-</b>
<b><u>3. Leases/Rental Cost - Facilities and Variable</u></b>		
(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
<b>Sub-total Facilities and Variable Reimbursement</b>	<b>16,815</b>	<b>8,165</b>

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

**FISCAL YEAR ENDED: 6/30/2015**

**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>
<b>4. Other Leases of Equipment and Furnishings</b>		
(Provide specific listing of leases - include annual cost of Equipment and Furnishings)		
#1 Sun Servers	\$ 19,926	\$ 19,926
#2 Sun Servers	13,978	-
#3 Server	1,522	1,522
#4 High Speed Copiers	21,324	15,027
#5 Toshiba Satellite Copiers	4,003	4,003
#6 PCs (40080394)	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	15,376
#15 PCs (Sch 610)	16,080	11,593
#16 PCs (40118268)	3,140	842
#17 PCs (TBD)	8,114	-
<b>Sub-total Equipment and Furnishings Reimbursement</b>	<u>164,075</u>	<u>124,960</u>
<b>TOTAL OF DEBT SERVICE AND LEASES</b>	<u>\$ 4,994,381</u>	<u>\$ 4,946,616</u>

**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.**