

Schedule of Institutional Assistance
Grants Program Receipts and
Expenditures and Report of
Independent Certified Public
Accountants

**The Philadelphia Theological Seminary of
St. Charles Borromeo**

June 30, 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Trustees
The Philadelphia Theological Seminary of St. Charles Borromeo

Opinion

We have audited the Schedule of Institutional Assistance Grants Program Receipts and Expenditures (the "Schedule") of The Philadelphia Theological Seminary of St. Charles Borromeo (the "Seminary") for the year ended June 30, 2023, and the related notes to the Schedule.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the receipts and expenditures of the Seminary's Institutional Assistance Grants Program as of and for the year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Seminary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

In connection with our audit, nothing came to our attention that caused us to believe that the Seminary: (1) did not use the Institutional Assistance Grants Program funds in compliance, in all material respects, with the requirements of Pennsylvania Act No. 174 and the Agreement between PHEAA and the Seminary; (2) has used the funds for the construction, maintenance or operation of facilities primarily used for worship or any other sectarian or denominational activity, or as financial aid directly to students enrolled in programs designed to prepare students for the active ministry or clergy; (3) has failed to maintain its nonprofit status during the year ended June 30, 2023; or (4) was a recipient of a direct appropriation from the Commonwealth of Pennsylvania during the year ended June 30, 2023. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Responsibilities of management for the Schedule

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

Auditor's responsibilities for the audit of the Schedule

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

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Seminary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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

Restriction on use

This report is intended solely for the information and use of the Board of Trustees and management of the Seminary and PHEAA and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Philadelphia, Pennsylvania
November 9, 2023

The Philadelphia Theological Seminary of St. Charles Borromeo
SCHEDULE OF INSTITUTIONAL ASSISTANCE GRANTS PROGRAM RECEIPTS
AND EXPENDITURES

June 30, 2023

Receipts	
Advance payment from Pennsylvania Higher Education Assistance Agency ("PHEAA")	\$ 2,656
Reconciliation payment from PHEAA	<u>1,194</u>
Total receipts	<u>\$ 3,850</u>
Expenditures from Institutional Assistance Grants funds	
Fixed assets	
Computer software costs	<u>\$ 3,850</u>
Total expenditures	<u>\$ 3,850</u>

The accompanying notes are an integral part of this schedule.

The Philadelphia Theological Seminary of St. Charles Borromeo

**NOTES TO SCHEDULE OF INSTITUTIONAL ASSISTANCE GRANTS PROGRAM RECEIPTS
AND EXPENDITURES**

June 30, 2023

NOTE A - DESCRIPTION OF PROGRAM

The Institutional Assistance Grants Program was established in July 1974 by the Commonwealth of Pennsylvania General Assembly Act No. 174 in order to preserve the quality of independent institutions of higher education in the Commonwealth by moderating the cost charged to students at such independent institutions.

NOTE B - BASIS OF PRESENTATION

The accompanying Schedule of Institutional Assistance Grants Program Receipts and Expenditures (the "Schedule") has been prepared on the accrual method of accounting. The Schedule includes only those receipts and expenditures related to the Institutional Assistance Grants Program of The Philadelphia Theological Seminary of St. Charles Borromeo (the "Seminary").

Receipts have been recognized in the period earned. Expenditures have been recognized in the period incurred.

NOTE C - INCOME TAX

The Seminary is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and maintained its status as a nonprofit organization for the year ended June 30, 2023.