

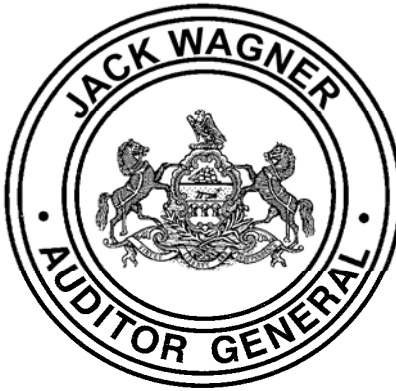
GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL

CAMBRIA COUNTY, PENNSYLVANIA

PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005,  
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006





GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
CAMBRIA COUNTY, PENNSYLVANIA  
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005,  
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006



GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
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The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

We have conducted a performance audit of the Greater Johnstown Area Vocational-Technical School for the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The objective of our audit was to determine if the Greater Johnstown Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

To plan and perform our audit of the Greater Johnstown Area Vocational-Technical School, we considered the school's internal controls pertinent to our audit objectives. Based on our consideration of these internal controls we determined audit procedures for the purpose of reporting on our audit objectives, but not to provide assurance on the effectiveness of the school's internal controls. However, any significant internal control deficiencies found during our audit were included in our audit report.

The results of our tests indicated that, in all significant respects, the Greater Johnstown Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

Independent Auditor's Report (Continued)

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information and, accordingly, express no form of assurance on it.

Sincerely,

June 5, 2007

/s/  
JACK WAGNER  
Auditor General



GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
PERFORMANCE AUDIT REPORT  
BACKGROUND

**Background**

The school's administrative offices are located at 445 Schoolhouse Road, Johnstown, Pennsylvania.

According to school administrative officials, during the 2005-06 school year, the school provided educational services to 345 secondary pupils and 335 post-secondary pupils in various vocational and technical fields through the employment of 4 administrators, 55 teachers, and 30 full-time and part-time support personnel.

The operation, administration and management of the school are directed by a joint operating committee (JOC) which is comprised of 15 members from the following school districts:

Conemaugh Township Area	Richland
Ferndale Area	Westmont Hilltop
Forest Hills	Windber Area
Greater Johnstown	

The JOC members are appointed by the individual school boards at the December meeting, each to serve a three year term.

Generally, state subsidies and reimbursements are paid in the year subsequent to the year in which the school incurs the cost that qualifies it for the applicable subsidy or reimbursement. While the Pennsylvania Department of Education (DE) makes partial payments to the school throughout the year, final payments are normally made in June. Refer to the Supplementary Information on pages 7 and 8 of this report for a listing of the state revenue the school received during the 2005-06 and 2004-05 school years and for descriptions of the state revenue received by category.

In July of each year, the Commonwealth's Labor, Education and Community Services, Comptroller's Office confirms the payments that were made by DE throughout the prior fiscal year. Area vocational-technical school (AVTS) annual financial reports and the related certified audits of the payments are generally not available before October 31<sup>st</sup> of the following fiscal year.

GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
PERFORMANCE AUDIT REPORT  
OBJECTIVE, SCOPE AND METHODOLOGY

**OBJECTIVE AND SCOPE**

Our audit objective was to determine if the Greater Johnstown Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The scope of our audit covered the years ended June 30, 2006 and 2005, and in certain areas extending beyond June 30, 2006.

**METHODOLOGY**

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit as required by the Public School Code of 1949, as amended (Public School Code).

The proper administration of an AVTS requires the joint operating committee (JOC) members to establish and maintain internal controls to provide reasonable assurance that specific AVTS objectives will be achieved. JOC members are responsible for the adoption and use of policies and procedures that promote the economical and efficient conduct of assigned duties and responsibilities. In completing our audit, we obtained an understanding of the Greater Johnstown Area Vocational-Technical School's internal controls as they relate to the school's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. We evaluated and tested documents, files, reports, agreements, and systems, and performed analytical procedures to the extent necessary to satisfy our audit objectives. Additionally, we interviewed selected administrators and operations personnel.

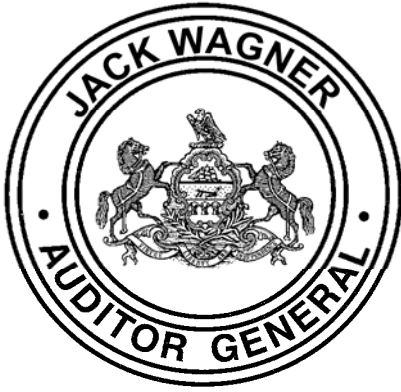
As noted in the Background section of this report, the Department of Education generally pays state subsidies and reimbursements in the fiscal year subsequent to the fiscal year in which the school incurs the qualifying cost. Because we use the payment confirmations, annual financial reports and certified audit data as supporting documentation of actual payments received in the performance of our audit, we cannot begin the field work of an AVTS's operations for a given year until after this information becomes available.

GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
PERFORMANCE AUDIT REPORT

**CONCLUSION**

The objective of our audit was to determine if the Greater Johnstown Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The results of our tests indicate that with respect to the items tested, the Greater Johnstown Area Vocational-Technical School complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.



GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
PERFORMANCE AUDIT REPORT

**SUPPLEMENTARY INFORMATION**  
**[UNAUDITED]**

**Schedule of State Revenue Received**

The school reported it received state revenue of \$1,018,562 and \$946,909, respectively, for the years ended June 30, 2006 and 2005, as detailed in the following schedule:

<b><u>STATE REVENUE</u></b>	<u>2006</u>	<u>2005</u>
Vocational Education	\$ 567,885	\$481,934
Workforce Investment Act (WIA)	-	42,719
Adult Literacy	159,101	165,565
Social Security and Medicare Taxes	106,261	94,954
Retirement	65,858	43,168
Other Program Subsidies/Grants:		
Workforce Leadership	88,451	90,606
Police Officers' Education and Training	23,509	23,463
Pregnant and Parenting Teen	7,497	4,500
	<u>7,497</u>	<u>4,500</u>
<b><u>TOTAL STATE REVENUE</u></b>	<b><u>\$1,018,562</u></b>	<b><u>\$946,909</u></b>

GREATER JOHNSTOWN AREA VOCATIONAL-TECHNICAL SCHOOL  
PERFORMANCE AUDIT REPORT

**SUPPLEMENTARY INFORMATION**  
**[UNAUDITED]**

*Description of State Revenue Received (Source: Pennsylvania Accounting Manual)*

Vocational Education

Revenue received from the Commonwealth as subsidy for vocational education expenditures which are classified as current operating expenditures and also for preliminary expenses in establishing an area vocational education school. Payments are made in accordance with Sections 2504, 2506 and 2507 of the Public School Code.

Workforce Investment Act (WIA)

Revenue received from the Commonwealth to train economically disadvantaged persons and others for permanent private sector employment.

Adult Literacy

Revenue received from the Commonwealth to expand the availability of adult literacy and other adult education programs authorized by the Pennsylvania Adult and Family Literacy Education Act (Act 143 of 1986, as amended).

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

Other Program Subsidies/Grants

Revenue received from the Commonwealth not specified elsewhere.

## BUREAU OF SCHOOL AUDITS

### AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the superintendent of record of the area vocational-technical school, the joint operating committee members, our website address at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us), and the following:

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D. Ed.  
Secretary of Education  
1010 Harestown Building #2  
333 Market Street  
Harrisburg, PA 17126

The Honorable Robin L. Wiessmann  
State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

Mr. John Godlewski  
Director, Bureau of Budget and Fiscal Management  
Department of Education  
4<sup>th</sup> Floor, 333 Market Street  
Harrisburg, PA 17126

Dr. David Wazeter  
Research Manager  
Pennsylvania State Education Association  
400 North Third Street - Box 1724  
Harrisburg, PA 17105

Dr. David Davare  
Director of Research Services  
Pennsylvania School Boards Association  
P.O. Box 2042  
Mechanicsburg, PA 17055

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).