

# JOINT OPERATING COMMITTEE

## MINUTES

NOVEMBER 6, 2019

An Executive Session was held from 6:25 to 6:45 to discuss a personnel issue.

The meeting was called to order by Felix Raimondo, Vice Chairperson, at 6:45 p.m. in the Board Room of Central Montco Technical High School. The Pledge of Allegiance was recited.

PRESENT: Alice Budno Hope  
Maggie Philips, Esq., Treasurer  
Eunice Franklin-Becker  
Shae Ashe  
Mel Brodsky  
Felix Raimondo, Vice Chairperson  
George Kennedy

ABSENT: Eric Elvanian  
Louis Mason, Chairperson

ALSO PRESENT: Seth Schram, Director  
Charles J. Braun, Supervisor of Business Operations  
Larry Byron, Special Projects, Technology & Operations Supervisor  
Christopher Dormer, Superintendent of Record  
Marilyn Monastero, J.O.C. Secretary  
Mark Fitzgerald, Esq., Solicitor

GUESTS: Michael Melnyk  
Andrea Wilson  
Oscar Etheredge  
Jean Etheredge  
Gladys B. Wilson

### PUBLIC COMMENT

Mr. Melnyk stated that he attended the LAC and the Automotive Technology OAC committee meetings which were well attended and very productive.

### MINUTES

MOTION: 1. To approve the minutes of October 2, 2019.

Above motion #1 was moved by Mr. Brodsky and seconded by Mr. Raimondo.  
Membership Polled. All in Favor. Motion Carried.

### TREASURER'S REPORT

MOTION: 2. To approve the following:  
a. Pages 1 through 12 of the September 30, 2019 Treasurer's Report for file and audit.

- b. October 31, 2019 General Fund Disbursements, Check #8481 through #8612, voided checks #7417 and #8246, ACH payments and electronic transfers in the amount of \$707,891.23. (Pages 13 and 13a)

Above motion #2 was moved by Mrs. Philips and seconded by Mrs. Hope.  
Membership Polled. All in Favor. Motion Carried.

Mrs. Philips highlighted items from the Auditor's Report ending June 30, 2019.

- MOTION: 3. To approve the Auditor's Report ending June 30, 2019. (Att. #1)

Above motion #3 was moved by Mrs. Philips and seconded by Mrs. Franklin-Becker.  
Membership Polled. All in Favor. Motion Carried.

Mr. Schram commended Chuck Braun for his work with the auditors.

#### DIRECTOR'S REPORT

- MOTION 4. To approve the following field trip: (Attachment #2)

Program: Automotive Technology  
Destination: ATC Warminster Campus and Mercedes Benz of Fort Washington  
Purpose: Tour  
Date: Friday, October 25, 2019  
Time: 8:30 a.m. to 2:00 p.m.  
No. of Students: 38  
Chaperones: Rob Porter and Mike Hoult  
Transportation/Cost: School bus paid for by ATC

5. To approve attendance of Joe Dagney at the Pennsylvania School Counselors Association Conference in Pittsburgh from November 20 to 22 at a cost not to exceed \$1,264.02. (Attachment #3)
6. To approve attendance of Andrea Wilson at the Data Summit 2020 in Hershey from March 16 to 18 at a cost not to exceed \$830.00. (Attachment #4)
7. To employ Chyna Moore as part-time driver/utility at an hourly rate of \$10.00.
8. To employ the following individual:

Name: Robert Joseph Kindon  
Position: Transition to Career Coordinator  
Effective Date: TBD  
Employment Status: Full-time/190 days /Teacher calendar  
Salary Step/Salary: F-9/\$84,981.00  
Benefits: As stated in the current Teachers Contract

Above motions #4 through #8 were moved by Mr. Raimondo and seconded by Mrs. Franklin-Becker.  
Membership Polled. All in Favor. Motion Carried.

MOTION: 9. To amend last month's approval for the SkillsUSA trip to Leadership Conference from November 13 to 15 at the Pocono Manor Resort to SkillsUSA trip to Leadership Conference at the Kalahari Resort.

Above motion #9 was moved by Mr. Raimondo and seconded by Mrs. Philips.  
Membership Polled. All in Favor. Motion Carried.

#### ADMINISTRATIVE REPORT

Mr. Schram reported that Dr. King is attending the Integration Conference at Penn State with three faculty members and will be working on a PIL for Perkins improvements. He also informed the committee that plans are underway for night, after school and summer programs.

#### SUPERINTEDENT'S REPORT

Mr. Dormer informed the committee that the IU is running a cyber security summit on November 13 at 1:00. He thanked the out-going J.O.C. members for their service.

#### SOLICITOR'S REPORT

Mr. Fitzgerald informed the committee that fee issues surrounding special education due process hearings are being addressed.

Mr. Schram presented certificates to the four out-going J.O.C. members thanking them for their dedicated service.

Meeting adjourned at 7:15 p.m.

Respectfully submitted,

Marilyn Monastero  
Secretary



October 16, 2019

**Joint Operating Committee  
Central Montco Technical High School  
Plymouth Meeting, Pennsylvania**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Montco Technical High School, Plymouth Meeting, Pennsylvania (the "*Technical School*") for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards, Government Auditing Standards and the Uniform Guidance**

As stated in our engagement letter dated December 3, 2018, our responsibility as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the Technical School's internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Technical School's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

We are responsible for communicating significant matters, related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Technical School are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Technical School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation expense and the long-term liabilities recorded for the Technical School's net pension and net other post-employment benefit liabilities. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable to the financial statement as a whole.

The disclosures in the financial statements are neutral, consistent and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated October 16, 2019.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Technical School's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Joint Operating Committee  
Central Montco Technical High School  
October 16, 2019  
Page Three

**Other Matters**

We applied certain limited procedures to required supplementary information ("**RSI**") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the use of the Joint Operating Committee and management of the Technical School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**BBD, LLP**

BBD, LLP



**Central Montco  
Technical High School  
Plymouth Meeting,  
Pennsylvania  
Montgomery County**

Financial Statements  
Year Ended June 30, 2019



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

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# CENTRAL MONTCO TECHNICAL HIGH SCHOOL

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## INDEPENDENT AUDITOR'S REPORT

**Joint Operating Committee  
Central Montco Technical High School  
Plymouth Meeting, Pennsylvania**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Montco Technical High School, Plymouth Meeting, Pennsylvania, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Central Montco Technical High School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Montco Technical High School, Plymouth Meeting, Pennsylvania, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Report on Summarized Comparative Information**

We have previously audited the Central Montco Technical High School's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the Technical School's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS and the schedules of the Technical School's proportionate share of the OPEB liability - PSERS and OPEB plan contributions - PSERS on pages 3 through 9 and pages 41 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2019, on our consideration of the Central Montco Technical High School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Central Montco Technical High School's internal control over financial reporting and compliance.

**BBD, LLP**

**Philadelphia, Pennsylvania  
October 16, 2019**

# CENTRAL MONTCO TECHNICAL HIGH SCHOOL

## MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2019

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Management's discussion and analysis ("**MD&A**") of the financial performance of Central Montco Technical High School, Plymouth Meeting, Pennsylvania (the "**Technical School**") provides an overview of the Technical School's financial performance for fiscal year ended June 30, 2019. Readers should also review the basic financial statements and related notes to enhance their understanding of the Technical School's financial performance.

### TECHNICAL SCHOOL PROFILE

The Technical School is a vocational-technical school, located in Montgomery County, Pennsylvania, serving Colonial, Norristown Area and Upper Merion Area School Districts and consists of approximately 700 students. There are approximately 58 employees at the Technical School including 23 teachers, 3 administrators and 32 support personnel, including secretaries, clerks, maintenance and custodial staff and instructional aides.

The mission of the Technical School is to deliver technical and academic programs that meet the needs of our students and prospective employers. This will be accomplished through a perpetual improvement system that ensures stakeholders an educated, competent individual capable of contributing to the welfare of the community.

### FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities, the liabilities and deferred inflows of resources of the Technical School exceeded assets and deferred outflows of resources of the Technical School resulting in a deficit in total net position at the close of the 2018-2019 fiscal year of \$985,301. During the 2018-2019 fiscal year the Technical School had an increase in total net position of \$826,475.
- The General Fund reported no change in fund balance which remained at \$550,001 at the conclusion of the 2018-2019 fiscal year.
- At June 30, 2019, the General Fund fund balance includes \$250,00 committed to retirement rate stabilization and \$300,001 was unassigned and represented 2.95% of the 2019-2020 General Fund expenditures budget of \$10,185,025.
- The Capital Projects Fund reported a decrease in fund balance of \$81,977, resulting in a fund balance of \$289,182 at June 30, 2019.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Technical School's basic financial statements. The Technical School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Technical School's finances, in a manner similar to a private-sector business.

The Statement of Net Position (Deficit) presents information on all of the Technical School's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Technical School is improving or deteriorating. To assess the Technical School's overall health, the reader needs to consider additional nonfinancial factors such as changes in the Technical School's revenue base and the condition of the Technical School's assets.