

**AREA VOCATIONAL-TECHNICAL SCHOOLS
OF MERCER COUNTY SCHOOL DISTRICT**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2022

**AREA VOCATIONAL-TECHNICAL SCHOOLS
OF MERCER COUNTY SCHOOL DISTRICT**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Area Vocational-Technical Schools
of Mercer County School District
County of Mercer
Hamilton, New Jersey 08690

We have audited, in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Area Vocational-Technical Schools of Mercer County School District in the County of Mercer for the year ended June 30, 2022 and have issued our report thereon dated March 6, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Area Vocational-Technical Schools of Mercer County School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
March 6, 2023

Scott A. Clelland

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Licensed Public School Accountant, No. 1049

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**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the school district ACFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

| <u>Name</u> | <u>Position</u> | <u>Amount</u> |
|------------------|---|---------------|
| Deborah Donnelly | School Business Administrator/Board Secretary | \$ 200,000 |
| Thomas Venanzi | Treasurer | \$ 215,000 |

P.L.2020,c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district.

The school district project data certification was completed by the chief school administrator.

The school district project Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were greater than or less than estimated costs. The board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of all employees of the District were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were identified.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any exceptions.

Treasurer's Records

No exceptions were noted during our review of the records maintained by the Treasurer.

Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA)

The ESEA financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary School Education Act as amended and reauthorized.

A federal Single Audit under the Uniform Guidance was not applicable during the 2022 fiscal year as federal expenditures did not exceed \$750,000.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and Schedule B (K-4) located in the ACFR.

Our audit of the state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

No instances of noncompliance were identified that are required to be reported in accordance with the State of New Jersey OMB Circular 15-08.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for District employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90-day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 for 2021-22.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of our audit, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there have been no advertising for bids in accordance with the provisions of *N.J.S.A. 18A:18A-4*.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

Student Body Activities

During our review of the student activity funds, no exceptions were noted.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with exceptions as presented in the Schedule of Audited Enrollments. The information that was included on the workpapers was

**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

verified with exceptions as presented in the Schedule of Audited Enrollments. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District's written procedures appear to be adequate for the recording of student enrollment data.

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority ("NJSDA") grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted in our review of NJSDA expenditures.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of *N.J.A.C. 26-1.2* and *12.4* related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to *N.J.A.C. 6A:26-12.4(g)*.

Follow-up on Prior Year's Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings, where applicable. There were no prior year findings.

There was an Office of Fiscal Accountability and Compliance ("OFAC") audit report issued during the 2021-22 fiscal year that pertained to the 2019 fiscal year. The District took the appropriate corrective action.

Acknowledgment

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

SCHEDULE OF AUDITED ENROLLMENTS

**AREA VOCATIONAL-TECHNICAL SCHOOLS OF MERCER COUNTY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021**

| | 2022-2023 Application for State School Aid | | | | | | Sample for Verification | | | | | | Private Schools for Disabled | | | |
|----------------------------|--|--------|--------------------------------|--------|--------|--------|---------------------------------|--------|--------------------------------|--------|------------------------------|--------|---|-------------------------|-----------------|---------------|
| | Reported on A.S.S.A. On Roll | | Reported on Workpapers On Roll | | Errors | | Sample Selected from Workpapers | | Verified per Registers On Roll | | Errors per Registers On Roll | | Reported on A.S.S.A. as Private Schools | Sample for Veri- cation | Sample Verified | Sample Errors |
| | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | Full | Shared | | | | |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | 4 | - | 4 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | 7 | - | 7 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Eleven | 12 | - | 12 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Twelve | 10 | - | 10 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14 CR.) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 33 | - | 33 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Elementary | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle School | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High School | 30 | 255 | 30 | 255 | - | - | - | 178 | - | 178 | - | - | - | - | - | - |
| Special Ed - Alt Voc High | 31 | - | 31 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 61 | 255 | 61 | 255 | - | - | - | 178 | - | 178 | - | - | - | - | - | - |
| Co. Voc. - Regular | 277 | 423 | 277 | 423 | - | - | 100 | - | 100 | - | - | - | - | - | - | - |
| Co. Voc. Ft. Post Sec. | - | 237 | - | 237 | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 371 | 915 | 371 | 915 | - | - | 100 | 178 | 100 | 178 | - | - | - | - | - | - |
| Percentage Error | | | | | 0.00% | 0.00% | | | | | 0.00% | 0.00% | | | | 0.00% |

AREA VOCATIONAL-TECHNICAL SCHOOLS OF MERCER COUNTY SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2021

SCHEDULE OF AUDITED ENROLLMENTS

| | <u>Resident Low Income</u> | | | <u>Sample for Verification</u> | | | <u>Resident LEP Low Income</u> | | | <u>Sample for Verification</u> | | |
|---------------------------|---|---|--------------|---------------------------------------|--|------------------|---|---|----------------|---------------------------------------|---|------------------|
| | Reported on A.S.S.A. as Low Income | Reported on Workpapers as Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors | Reported on A.S.S.A. as LEP low Income | Reported on Workpapers as LEP low Income | Errors | Sample Selected from Workpapers | Verified to Test Score and Register | Sample Errors |
| Half Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - | - | - | - | - | - | - |
| One | - | - | - | - | - | - | - | - | - | - | - | - |
| Two | - | - | - | - | - | - | - | - | - | - | - | - |
| Three | - | - | - | - | - | - | - | - | - | - | - | - |
| Four | - | - | - | - | - | - | - | - | - | - | - | - |
| Five | - | - | - | - | - | - | - | - | - | - | - | - |
| Six | - | - | - | - | - | - | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - | - | - | - | - | - | - |
| Ten | 5 | 5 | - | - | - | - | - | - | - | - | - | - |
| Eleven | 8 | 8 | - | - | - | - | - | - | - | - | - | - |
| Twelve | 7 | 7 | - | - | - | - | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - | - | - | - | - | - | - |
| Adult H.S. (1-14 CR.) | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | <u>20</u> | <u>20</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Special Ed - Elementary | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - Middle | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Ed - High | 56.0 | 55.5 | 0.5 | 25.0 | 25.0 | - | 0.5 | - | 0.5 | 1.0 | 1.0 | - |
| Special Ed - Alt Voc High | 18.0 | 17.0 | 1.0 | - | - | - | - | - | - | - | - | - |
| Subtotal | <u>74.0</u> | <u>72.5</u> | <u>1.5</u> | <u>25.0</u> | <u>25.0</u> | <u>-</u> | <u>0.5</u> | <u>-</u> | <u>0.5</u> | <u>1.0</u> | <u>1.0</u> | <u>-</u> |
| Co. Voc. - Regular | 132.5 | 132.5 | - | 130.0 | 127.0 | 3 | 5.5 | 7.0 | (1.5) | 2.5 | 2.5 | - |
| Co. Voc. Ft. Post Sec. | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | <u>226.5</u> | <u>225.0</u> | <u>1.5</u> | <u>155.0</u> | <u>152.0</u> | <u>3</u> | <u>6.0</u> | <u>7.0</u> | <u>(1.0)</u> | <u>3.5</u> | <u>3.5</u> | <u>-</u> |
| Percentage Error | | | <u>0.66%</u> | | | <u>1.94%</u> | | | <u>-16.67%</u> | | | <u>0.00%</u> |

Transportation

| | Reported on DRTRS by DOE/county | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
|----------------------------------|---------------------------------------|-------------------------------------|----------|----------|----------|--------------|
| | Reg. - Public Schools, col. 1 | | | | | |
| Reg -SpEd, col. 4 | | | | | | |
| Transported - Non-Public, col. 3 | | | | | | |
| Special Ed Spec, col. 6 | | | | | | |
| Totals | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Percentage Error | | | | | | <u>0.00%</u> |

NOT APPLICABLE

Reg Avg. (Mileage) = Regular Including Grade PK students (Part A)
 Reg Avg. (Mileage) = Regular Excluding Grade PK students (Part B)
 Spec Avg. = Special Ed with Special Needs

Reported Recalculated

NOT APPLICABLE

AREA VOCATIONAL-TECHNICAL SCHOOLS OF MERCER COUNTY SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

SCHEDULE OF AUDITED ENROLLMENTS

ENROLLMENT AS OF OCTOBER 15, 2021

| | <u>Resident LEP NOT Low Income</u> | | | <u>Sample for Verification</u> | | |
|-------------------------|---|---|---------------|---------------------------------------|--|------------------|
| | Reported on A.S.S.A. as NOT Low Income | Reported on Workpapers as NOT Low Income | Errors | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Half Day Preschool | - | - | - | - | - | - |
| Full Day Preschool | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - |
| Full Day Kindergarten | - | - | - | - | - | - |
| One | - | - | - | - | - | - |
| Two | - | - | - | - | - | - |
| Three | - | - | - | - | - | - |
| Four | - | - | - | - | - | - |
| Five | - | - | - | - | - | - |
| Six | - | - | - | - | - | - |
| Seven | - | - | - | - | - | - |
| Eight | - | - | - | - | - | - |
| Nine | - | - | - | - | - | - |
| Ten | - | - | - | - | - | - |
| Eleven | - | - | - | - | - | - |
| Twelve | - | - | - | - | - | - |
| Post-Graduate | - | - | - | - | - | - |
| Adult H.S. (15+CR.) | - | - | - | - | - | - |
| Adult H.S. (1-14 CR.) | - | - | - | - | - | - |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Special Ed - Elementary | - | - | - | - | - | - |
| Special Ed - Middle | - | - | - | - | - | - |
| Special Ed - High | 1.0 | 1.5 | (0.5) | 0.5 | 0.5 | - |
| Subtotal | <u>1.0</u> | <u>1.5</u> | <u>(0.5)</u> | <u>0.5</u> | <u>0.5</u> | <u>-</u> |
| Co. Voc. - Regular | 13.0 | 9.0 | 4.0 | 7.5 | 7.5 | - |
| Co. Voc. Ft. Post Sec. | - | - | - | - | - | - |
| Totals | <u>14.0</u> | <u>10.5</u> | <u>3.5</u> | <u>8.0</u> | <u>8.0</u> | <u>-</u> |
| Percentage Error | | | <u>25.00%</u> | | | <u>0.00%</u> |

AREA VOCATIONAL-TECHNICAL SCHOOLS OF MERCER COUNTY SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

SECTION 1

A. 6% Calculation of Excess Surplus

| | | |
|--|---------------|-------|
| 2021-22 Total General Fund Expenditures per ACFR, Ex. C-1 | \$ 15,598,504 | (B) |
| Increased by: | | |
| Transfer from Capital Outlay to Capital Projects Fund | \$ - | (B1a) |
| Transfer from Capital Reserve to Capital Projects Fund | \$ - | (B1b) |
| Decreased by: | | |
| On-Behalf TPAF Pension & Social Security | \$ 2,033,859 | (B2a) |
| Assets Acquired Under Capital Leases | \$ - | (B2b) |
| Adjusted 2021-22 General Fund Expenditures [(B)+(B1s)-(B2s)] | \$ 13,564,645 | (B3) |
| 6% of Adjusted 2021-22 General Fund Expenditures [(B3) times .06] | \$ 813,879 | (B4) |
| Enter Greater of (B4) or \$250,000 | \$ 813,879 | (B5) |
| Increased by: Allowable Adjustment* | \$ - | (K) |
| Maximum Unassigned/Unreserved-Undesignated Fund Balance [(B5)+(K)] | \$ 813,879 | (M) |

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid, Additional Nonpublic School Aid and Transportation Aid; and School Bus Advertising Revenue Recognized during the current year. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

SECTION 2

| | | |
|--|---------------|-------|
| Total General Fund - Fund Balances @ 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1) | \$ 10,735,037 | (C) |
| Decreased by: | | |
| Year End Encumbrances | \$ 591,224 | (C1) |
| Legally Restricted - Designated for Subsequent Year's Expenditures | \$ - | (C2) |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures** | \$ 2,251,372 | (C3) |
| Other Restricted Fund Balances**** | \$ 5,842,319 | (C4) |
| Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures | \$ - | (C5) |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)] | \$ 2,050,122 | (U1) |

SECTION 3

| | | |
|--|--------------|-----|
| Restricted Fund Balance - Excess Surplus **[(U1)-(M)] IF NEGATIVE ENTER-0- | \$ 1,236,243 | (E) |
|--|--------------|-----|

AREA VOCATIONAL-TECHNICAL SCHOOLS OF MERCER COUNTY SCHOOL DISTRICT

EXCESS SURPLUS CALCULATION

JUNE 30, 2022

| | | |
|--|---------------------|------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ 2,251,372 | (C3) |
| Reserve Excess Surplus *** [(E)] | <u>\$ 1,236,243</u> | (E) |
| Total Excess Surplus [(C3) + (E)] | <u>\$ 3,487,615</u> | (D) |

Detail of Allowable Adjustments

| | | |
|---|-------------|------|
| Impact Aid | <u>\$ -</u> | (H) |
| Sale & Lease-back | <u>\$ -</u> | (I) |
| Extraordinary Aid | <u>\$ -</u> | (J1) |
| Additional Nonpublic School Transportation Aid | <u>\$ -</u> | (J2) |
| Current Year School Bus Advertising Revenue Recognized | <u>\$ -</u> | (J3) |
| Family Crisis Transportation Aid | <u>\$ -</u> | (J4) |
| Maintenance of Equity Aid and State Military Aid received July 2022 | <u>\$ -</u> | (J5) |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)] | <u>\$ -</u> | (K) |

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2022 ACFR and Audit Summary Worksheet Line 90030.

Detail of Other Restricted Fund Balances

| | | |
|--|---------------------|------|
| Statutory restrictions: | | |
| Approved unspent separate proposal | <u>\$ -</u> | |
| Sale/lease-back reserve | <u>\$ -</u> | |
| Capital reserve | <u>\$ 5,721,717</u> | |
| Maintenance reserve | <u>\$ -</u> | |
| Emergency reserve | <u>\$ -</u> | |
| Unemployment reserve | <u>\$ 120,602</u> | |
| Tuition reserve | <u>\$ -</u> | |
| School Bus Advertising 50% Fuel Offset reserve- current year | <u>\$ -</u> | |
| School Bus Advertising 50% Fuel Offset reserve- prior year | <u>\$ -</u> | |
| Other state/government mandated reserves | <u>\$ -</u> | |
| Other Restricted Fund Balance not noted above **** | <u>\$ -</u> | |
| Total Other Restricted Fund Balance | <u>\$ 5,842,319</u> | (C4) |

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

**Area Vocational-Technical Schools
of Mercer County School District**

Administrative Findings – Financial, Compliance and Performance

June 30, 2022

Audit Recommendations Summary

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

Not applicable as there were no prior year findings.