



**MERCER COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

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

JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report.....	1
Scope of Audit.....	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds.....	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims.....	2
Payroll Account and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures.....	3
• General Classifications	
• Administrative Classifications	
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act/Improving America's Schools	
Act as reauthorized by the No Child Left Behind Act of 2001	4
Other Special Federal and/or State Projects.....	4
T.P.A.F. Reimbursement	4
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	N/A
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service	5
Student Body Activities.....	6
Application for State School Aid (ASSA)	6
Pupil Transportation.....	N/A
Facilities and Capital Assets.....	7
Miscellaneous.....	N/A
Follow-up on Prior Year's Findings	7
Acknowledgment.....	7
Schedule of Audited Enrollments	8
Schedule of Meal Count Activity	11
Schedule of Net Cash Resources	13
Excess Surplus Calculation	N/A
Audit Recommendations Summary.....	14

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Mercer County Special Services 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 Mercer County Special Services School District in the County of Mercer as of and for the year ended June 30, 2017, and have issued our report thereon dated November 30, 2017.

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 Mercer County Special Services School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Michael J. Andriola
Licensed Public School Accountant
No. 2429



WISS & COMPANY, LLP

November 30, 2017
Livingston, New Jersey

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

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 CAFR.

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Tanya Dawson	School Business Administration/Board Secretary	\$ 300,000
David Miller	Treasurer of School Moneys	\$ 300,000

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 District made a proper adjustment to the billings to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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.

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

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.

Employee Position Control Roster

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 noted.

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.

Board Secretary's Records

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

Treasurer's Records

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

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

Elementary and Secondary Education Act (ESEA)/Improving America’s Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB)

The District did not receive any funding under the Elementary and Secondary Act/Improving America’s Schools Act as reauthorized by the No Child Left Behind Act of 2001.

Other Special Federal and/or State Projects

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

Our audit of the federal and 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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no instances of noncompliance that are required to be reported in accordance with the Uniform Guidance or State 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.

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

The District does not receive federal funding for any employees whose TPAF/FICA payments are made by the State on-behalf of the school district.

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 \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is currently \$18,800 for 2016-17.

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

The district board of education 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 my examination, I 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 had been no advertising for bids in accordance with the provision of *N.J.S.A.* 18A:18A-4, as amended.

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

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed and are maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis and no exceptions were noted.

Cash receipts and bank records were reviewed on a test basis for timely deposit and no exceptions were noted.

The District utilizes a food service management company (FSMC) and is depositing and expending monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract / addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will reflect a loss not to exceed \$40,000. The operating results provision has been met.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Payroll records were maintained and labor costs were verified on a test check basis for School Food Service employees. No exceptions were noted.

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and cleaning requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Donation Program (food and/or commodities) were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the CAFR.

Student Body Activities

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

Application for State School Aid (A.S.S.A.)

Our audit procedures included a test of information reported in the October 15, 2016 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 without exception. 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 written procedures appear to be adequate for the recording of student enrollment data.

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

Facilities and Capital Assets

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreement 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.

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. Corrective action had been taken on all prior year findings.

There were no Office of Fiscal Compliance (“OFAC”) audit reports issued during the 2016-17 fiscal year.

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

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016**

	2017-2018 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	177	-	177	-	-	-	88	-	88	-	-	-	-	-	-	-
Special Ed - Middle School	112	-	112	-	-	-	112	-	112	-	-	-	-	-	-	-
Special Ed - High School	263	32	263	32	-	-	263	32	263	32	-	-	-	-	-	-
Subtotal	552	32	552	32	-	-	463	32	463	32	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	552	32	552	32	-	-	463	32	463	32	-	-	-	-	-	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2016**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
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	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	104.0	104.0	-	54.0	54.0	-	-	-	-	-	-	-
Special Ed - Middle	76.0	76.0	-	40.0	40.0	-	-	-	-	-	-	-
Special Ed - High	177.5	177.5	-	78.0	78.0	-	-	-	-	-	-	-
Subtotal	357.5	357.5	-	172.0	172.0	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	357.5	357.5	-	172.0	172.0	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

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

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B) Reported Recalculated
 Spec Avg. = Special Ed with Special Needs NOT APPLICABLE

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2016

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One						
Two						
Three						
Four			NOT APPLICABLE			
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						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SCHEDULE OF MEAL COUNT ACTIVITY

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Severe Needs Rate)	Paid	19,843	19,843	19,843	\$ -	\$ 0.32	\$ -
National School Lunch (Severe Needs Rate)	Reduced	9,750	9,750	9,750	-	2.78	-
National School Lunch (Severe Needs Rate)	Free	66,392	66,392	66,392	-	3.18	-
	TOTAL	95,985	95,985	95,985	\$ -		\$ -
HHFKA - PB							
National School Lunch	Lunch Only	95,985	95,985	95,985	\$ -	\$ 0.06	\$ -
School Breakfast (Severe Rate)	Paid	1,562	1,562	1,562	\$ -	\$ 0.29	\$ -
	Reduced	3,430	3,430	3,430	-	1.74	-
	Free	55,054	55,054	55,054	-	2.04	-
	TOTAL	60,046	60,046	60,046	\$ -		\$ -
Total (Over) Underclaim							\$ -

SCHEDULE OF MEAL COUNT ACTIVITY

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	19,843	19,843	19,843	\$ -	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	9,750	9,750	9,750	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	66,392	66,392	66,392	-	0.055	-
	TOTAL	95,985	95,985	95,985	\$ -		\$ -

Total (Over) Underclaim

\$ -

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
FOOD SERVICE FUND**

NET CASH RESOURCE SCHEDULE

**Enterprise Fund - Food Service
Year ended June 30, 2017**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 8,901
B-4		Due from Other Gov'ts	36,008
B-4		Accounts Receivable	12,082
B-4		Investments	0
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(35,209)
B-4		Less Accruals	0
B-4		Less Due to Other Funds	0
B-4		Less Deferred Revenue **	0
		Net Cash Resources	<u>\$ 21,782</u>

(A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	547,927	
B-5	Less Depreciation	(2,551)	
		<u>\$ 545,376</u>	(B)

Average Monthly Operating Expense:

	B / 10	<u>\$ 54,538</u>	(C)
--	--------	-------------------------	-----

Three times monthly Average:

	3 X C	<u>\$ 163,613</u>	(D)
--	-------	--------------------------	-----

TOTAL IN BOX A	\$	21,782	
LESS TOTAL IN BOX D	\$	163,613	
NET	\$	<u>(141,831)</u>	

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

* Inventories are not to be included in total current assets.

** The USDA commodity component of deferred revenues, if any, should be excluded from the current liability calculation.

SOURCE - USDA resource management comprehensive review form

**MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL
COMPLIANCE AND PERFORMANCE**

JUNE 30, 2017

Audit Recommendations Summary

We suggest the following:

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 Findings**
None