

**MERCER COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

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

JUNE 30, 2024

**MERCER COUNTY SPECIAL SERVICES
SCHOOL DISTRICT**

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

TABLE OF CONTENTS

	<u>Page No.</u>
Report of Independent Auditors	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.....	3
Payroll Account and Position Control Roster	3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
• General Classifications	
• Administrative Classifications	
Board Secretary's Records	4
Treasurer's Records	4
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	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	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.....	5
School Food Service	5
Student Body Activities	7
Application for State School Aid (ASSA).....	7
Pupil Transportation	N/A
Facilities and Capital Assets.....	7
Testing for Lead of All Drinking Water in Educational Facilities	7
Follow-up on Prior Year's Findings	7
Acknowledgment	8
Schedule of Audited Enrollments	9
Schedule of Meal Count Activity	12
Schedule of Net Cash Resources	14
Excess Surplus Calculation.....	N/A
Audit Recommendations Summary	15



INDEPENDENT AUDITORS' REPORT

**Honorable President and Members
of the Board of Education
Mercer County Special Services School District
County of Mercer
Trenton, 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, 2024, and have issued our report thereon dated December 10, 2024.

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.

PKF O'Connor Davies, LLP

December 10, 2024
Cranford, New Jersey

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

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

JUNE 30, 2024

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the 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	\$ 300,000

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 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.

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

JUNE 30, 2024

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 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 secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

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

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

JUNE 30, 2024

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 Board Secretary.

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

The District did not receive any funding under the Elementary and Secondary Act as amended by the Every Student Succeeds Act (ESSA).

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 ACFR.

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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects did not indicate any areas of noncompliance.

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 amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from

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

JUNE 30, 2024

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 \$22,400 for 2023-24.

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 our audit, we did not identify 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

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

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

JUNE 30, 2024

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34* and 19-1 through 19-4.1. Provisions of the FSMC Cost Reimbursable Fixed Price or Non-Competitive Emergency Procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be 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 disbursement 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.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions were noted.

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 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 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 milks policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provision I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

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

JUNE 30, 2024

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR 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 Proprietary Funds, Section B of the ACFR.

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.)

Because the General State Aid cluster was not tested as a major program in the 2024 fiscal year, our audit procedures did not include a test of information reported in the October 13, 2023 Application for State School Aid (ASSA) for on-roll, private schools for the handicapped, low-income and bilingual. We did agree the ASSA summary report to the underlying District working papers without exception. We also performed a review of the District procedures related to its completion.

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

The District has adequate written procedures 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 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.

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 findings and recommendations. Corrective action was not needed as there were no prior year findings.

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

JUNE 30, 2024

There were no Office of Accountability and Fiscal Compliance (“OFAC”) audit reports issued during the 2023-24 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 13, 2023

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2024 as the General State Aid Cluster was not tested as a major program in the current year for single audit purposes.

	2024-2025 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A.		Reported on Workpapers		Errors		Sample Selected from		Verified per Registers		Errors per Registers		Reported on A.S.S.A. as		Sample for		Sample Verified	Sample Errors
	On Roll		On Roll				Workpapers		On Roll		On Roll		Private Schools		Veri- fication			
	Full	Shared	Full	Shared			Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools			
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	143	-	143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle School	102	-	102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	222	3	222	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	467	3	467	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	467	3	467	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 13, 2023**

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2024 as the General State Aid Cluster was not tested as a major program in the current year for single audit purposes.

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	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	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14 CR.)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	103.0	103.0	-	-	-	-	-	-	-	-	-	-
Special Ed - Middle	67.0	67.0	-	-	-	-	-	-	-	-	-	-
Special Ed - High	152.0	152.0	-	-	-	-	-	-	-	-	-	-
Subtotal	322.0	322.0	-	-	-	-	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-
Totals	322.0	322.0	-	-	-	-	-	-	-	-	-	-
Percentage Error			0.00%			0.00%			0.00%			0.00%

	Transportation				
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified
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)
Spec Avg. = Special Ed with Special Needs

Reported Recalculated
NOT APPLICABLE

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2023

Note: Detailed testing over ASSA was not performed for the fiscal year ending June 30, 2024 as the General State Aid Cluster was not tested as a major program in the current year for single audit purposes.

SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP NOT Low Income			Sample for Verification		
	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	-	-	-	-	-	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. Ft. Post Sec.	-	-	-	-	-	-
Totals	-	-	-	-	-	-
Percentage Error			0.00%			0.00%

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2024

<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 Rates)	Paid	21,355	21,355	21,355	-	\$ 0.42	\$ -
	Reduced	13,094	13,094	13,094	-	3.87	-
	Free	66,687	66,687	66,687	-	4.27	-
	TOTAL	101,136	101,136	101,136	-		\$ -
National School Lunch (Severe Rates)	HHFKA - PB Lunch Only	101,136	101,136	101,136	-	\$ 0.08	\$ -
School Breakfast (Severe Rates)	Paid	3,514	3,514	3,514	-	\$ 0.38	\$ -
	Reduced	9,675	9,675	9,675	-	2.43	-
	Free	56,740	56,740	56,740	-	2.73	-
	TOTAL	69,929	69,929	69,929	-		\$ -
Total (Over) Underclaim							<u>\$ -</u>

MERCER COUNTY SPECIAL SERVICES SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY

FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2024

<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 (Severe Rate)	Paid	21,355	21,355	21,355	-	\$ 0.06	\$ -
State Reimbursement - National School Lunch (Severe Rate)	Reduced	13,094	13,094	13,094	-	0.07	-
State Reimbursement - National School Lunch (Severe Rate)	Free	66,687	66,687	66,687	-	0.07	-
State Reimbursement - Reduced Lunch (Severe Rate)	Reduced	13,094	13,094	13,094	-	0.40	-
State Reimbursement - Reduced Breakfast (Severe Rate)	Reduced	9,675	9,675	9,675	-	0.30	-
State Reimbursement - Breakfast after the Bell (Severe Rate)	All	29,025	29,025	29,025	-	0.10	-
State Reimbursement - Lunch NJEIE (Severe Rate)	Free	951	951	951	-	3.85	-
State Reimbursement - Breakfast NJEIE (Severe Rate)	Free	879	879	879	-	2.35	-
	TOTAL	101,136	101,136	101,136	-		\$ -

Total (Over) Underclaim

\$ -

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

NET CASH RESOURCE SCHEDULE

**Enterprise Fund - Food Service
Year ended June 30, 2024**

Net Cash Resources:		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 232,336
B-4		Due from Other Gov'ts	40,876
B-4		Accounts Receivable	1,539
B-4		Investments	-
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(55,783)
B-4		Less Accruals	-
B-4		Less Due to Other Funds	-
B-4		Less Unearned Revenue **	-
		Net Cash Resources	\$ 218,968 (A)
Net Adj. Total Operating Expense:			
B-5		Tot. Operating Exp.	813,090
B-5		Less Depreciation	(15,665)
		Adj. Tot. Oper. Exp.	\$ 797,425 (B)
Average Monthly Operating Expense:			
		B / 10	\$ 79,743 (C)
Three times monthly Average:			
		3 X C	\$ 239,228 (D)

TOTAL IN BOX A	\$ 218,968
LESS TOTAL IN BOX D	\$ 239,228
NET	\$ (20,260)

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, 2024

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**
The prior year comment was corrected and not repeated in the current year.