

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## AUDITOR'S MANAGEMENT REPORT

Honorable President and Members  
of the Board of Education  
Belleville Township School District  
Belleville, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Belleville Township School District, State of New Jersey as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 30, 2019.

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

This report is intended for the information of management, the Board of Education, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Lerch, Vinci & Higgins, LLP*

LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 30, 2019

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, 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**

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Schedule of Insurance contained in the district's Comprehensive Annual Financial Report ("CAFR").

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Matthew Paladino	Board Secretary/ School Business Administrator	\$350,000
Debra Besold	Treasurer of School Monies	\$350,000

There is an Employee Dishonesty Faithful Performance Crime Coverage policy with N.J. Schools Insurance Group covering all other employees with multiple coverage of \$500,000 per employee.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium.

The District maintains a personnel tracking and accounting (Position Control) system.

The School Business Administrator completed and filed the required certification of compliance with federal and state law respecting the reporting of compensation for certain employees.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered as of June 30.

Travel

The District had an approved board travel policy as required by N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11-12.

- **Finding (CAFR Finding 2018-006)**– Our audit revealed expenditures for employee travel reimbursements were not always supported by the required post travel report, reflecting the purpose and relevance of the employee travel. In addition, travel events and attendees were not always approved in the official minutes.

**Recommendation** – Reimbursements for employee travel expenses be supported by a post travel purpose and relevance report and travel events and attendees be approved in the official District minutes.

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 included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3. As a result of the procedures performed, no material exceptions were noted, therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

- **Finding** – We noted seven (7) budget line accounts were overexpended at June 30, 2018. The overexpenditures for six (6) of these line items were the result of an adjustment made during our audit for the accrual of a liability for estimated retroactive salary related payments. The remaining overexpenditure was an isolated instance and immaterial in nature. As a result, no recommendation is warranted.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

Board Secretary's Records (Continued)

- **Finding** – We noted several instances in which employee calculations for the value of unused sick days at year end were based on an accumulated number of days which differed from the respective employee's attendance records.

**Recommendation** – The District's calculation of the value of accumulated sick pay liabilities at year end be reviewed to ensure that the number of unused sick days are in agreement with employee attendance records.

Treasurer's Records

The Treasurer did perform monthly reconciliations of the general operating, net payroll and payroll agency bank accounts.

Acknowledgement of the Board's receipt of the Treasurer's monthly financial reports was included in the minutes.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Funds.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Acts (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, II, III and IV of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for E.S.E.A. disclosed the following areas of noncompliance.

- **Finding (CAFR Finding 2018-001)** – Our audit of employee salary charges to the Title I and Title II grant programs revealed the following:
  - Salaries, including substitutes, charged to the grant programs were not always approved by the Board in the official minutes.
  - Title I salaries for certain non-instructional employees were charged to instructional line items.

**Recommendation** – Employee salaries charged to the Title I and Title II grant programs be formally approved by the Board in the official minutes and be charged to the appropriate grant program budget line account.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Acts (ESSA) (Continued)

- **Finding (CAFR Finding 2018-002)** – Our audit of health benefit charges to the Title I grant program revealed that amounts charged were not reflective of premiums or waivers paid, net of employee contributions, for employees whose salaries were charged to the program.

**Recommendation** – Employee benefits charged to the Title I grant program be made in accordance with the net premiums or waivers paid for the respective Title I funded employees.

- **Finding (CAFR Finding 2018-003)** – Our audit of expenditures charged to the Title II grant program revealed the following:

- Certain payments for substitutes charged to the grant program do not appear to be related to teacher absences resulting from attendance at professional development programs.
- Expenditures were noted for certain supplies which do not appear to be allowable Title II grant program costs.

**Recommendation** – Expenditures charged to the Title II grant program be made only for allowable costs in accordance with grant program compliance requirements.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and 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.

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

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

The amount of expenditure charged to the current year's Final Report 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 are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 is currently \$19,000.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198 (c.40A:11-9), the board of education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the School Business Administrator as the qualified purchasing agent and established the bid threshold at \$40,000.

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

Based on the results of our examination, we noted instances where individual payments, contracts or agreements were made for the performance of 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.



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Purchasing Programs (Continued)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 18A:18A-5 and 19:44A in certain instances.

- **Finding (CAFR Findings 2018-004 and 2018-005)** – Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it relates to compliance with the Public School Contracts Law and State procurement guidelines:
- Our audit of Title I grant expenditures revealed purchases were made in excess of the bid threshold for which no documentation could be provided to support that bids were sought through public advertisement or if contract was awarded through a cooperative purchasing program.
  - We noted payments were made in excess of the bid threshold for a transportation contract where there was no documentation provided to support that public advertisement for bids were sought. In addition, contract was not approved by Board Resolution.
  - A purchase was made through the use of a cooperative purchase agreement which was not approved by the Board in the official minutes. In addition, a purchase was made through the use of a cooperative purchasing agreement in which the vendor was not approved by the Board in the official minutes, only the goods to be provided.
  - We noted purchases made through National Purchasing Cooperative agreements were not publically advertised for intent to purchase and documentation was not provided to support verification of bid process or proof of cost savings. In addition, these purchases were not approved in the minutes
  - We noted certain professional service contract awards were not publically advertised after award as required. In addition, several contracts for architectural services related to the referendum projects were not approved by the Board in the official minutes.
  - We noted instances in which vendor Political Contribution Disclosure Forms (PCDF) were not on file for the current year.

**Recommendation** – Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold are made in accordance with the requirements of the Public School Contracts Law. In addition, documentation be maintained on file and made available for audit to support the District's compliance with the procedures required under the Public School Contracts Law (N.J.S.A. 18A:18A) and State procurement guidelines.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Food Service**

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

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

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 with exception. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating result provision which was not met by the FSMC for the current fiscal year. A credit was provided to the District for the shortfall.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food 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 with exceptions noted. 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.

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 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 policy was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Exhibits B-4 through B-6 of the CAFR.

- **Finding** – Our audit indicated a significant increase in unpaid student balances at year end related to the District's food service program.

**Recommendation** – Student balances be reviewed and a course of action be developed and implemented to reduce the outstanding balance due to the District.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Student Body Activities**

During our review of the student activity funds, the following matters were noted:

- **Finding** – Our audit of the summer program student activity account revealed the following:
- A transaction ledger is not maintained for the recording of receipts and disbursements.
  - A bank account reconciliation is not being performed.
  - Documentation to support amounts collected was not able to be provided for audit.
  - Payment approval forms are not maintained for disbursements.
  - Documentation to support payments made were not always provided for audit.

**Recommendation** – Internal controls over financial accounting and reporting procedures be reviewed and enhanced in the Summer Program student activity account.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, related services, bilingual students and low-income. 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 minor exceptions noted. The information that was included on the workpapers was verified with minor exceptions noted. 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 has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2017-18 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts, with the exception of one (1) instance noted in the section of this report entitled “School Purchasing Program”.

**Facilities and Capital Assets**

The District had no SDA grant projects during the current year.

**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).

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Management Suggestions**

- The Board approve a resolution assigning referendum investment and interest earnings to either the general fund or debt service fund
- The financial records of the student activity accounts be computerized.
- A payroll check verification process be completed during the 2018-19 school year, as required.
- The District's health benefit waiver policy be reviewed to ensure all coverage types are included in the respective collective bargaining unit contracts

**Follow-up Prior Year Findings**

In accordance with government standards, our procedures included a review of all prior year recommendations.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals/Milks Category</u>	<u>Total Meals/Milks Claimed</u>	<u>Meals/Milks Tested</u>	<u>Meals/Milks Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch (Regular Rate)	Paid	108,439	40,494	40,494	-		
	Reduced	61,061	22,935	22,935	-		
	Free	<u>242,451</u>	<u>88,751</u>	<u>88,751</u>	-		-
	Total Lunch	<u>411,951</u>	<u>152,180</u>	<u>152,180</u>	-		-
Breakfast	Paid	6,332	2,466	2,466	-		
	Reduced	6,394	2,582	2,582	-		
	Free	<u>34,738</u>	<u>1,378</u>	<u>1,378</u>	-		-
	Total Breakfast	<u>47,464</u>	<u>6,426</u>	<u>6,426</u>	-		-
TOTAL		<u>459,415</u>	<u>158,606</u>	<u>158,606</u>	-		-

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE FUND  
SCHEDULES OF NET CASH RESOURCE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Net Cash Resources:</u>		Food Service	
CAFR	*	Current Assets	
B-4		Cash	\$ 53,145
B-4		Intergovernmental Receivables	90,071
B-4		Accounts Receivable	111,294
B-4		Due from Other Funds	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(87,350)
B-4		Less Due to Other Funds	(17,418)
B-4		Less Unearned Revenue	(8,194)
		Net Cash Resources	\$ 141,548 (A)
 <u>Net Adj. Total Operating Expense:</u>			
B-5		Total Operating Expenses	1,907,017
B-5		Less Depreciation	(49,659)
		Adj. Tot. Oper. Exp.	\$ 1,857,358 (B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	\$ 185,736 (C)
 <u>Three times monthly Average Operating Expense:</u>			
		3 X C	\$ 612,585 (D)

TOTAL IN BOX A	\$	141,548	
LESS TOTAL IN BOX D	\$	(612,585)	
NET	\$	(471,037)	
Net Cash Resources Did Not Exceed Three Months Expenditures.			

**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-2019 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 Register On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 Years Old	15		15		-	-	7		8		(1)					
Half Day Preschool 4 Years Old	23		23		-	-	8		8		-					
Full Day Preschool 3 Years Old	1		1		-	-	1		1		-					
Full Day Preschool 4 Years Old					-	-					-					
Half Day Kindergarten					-	-					-					
Full Day Kindergarten	296		296		-	-	71		71		-					
Grade 1	317		317		-	-	41		41		-					
Grade 2	284		284		-	-	46		46		-					
Grade 3	285		286		(1)	-	15		15		-					
Grade 4	314		314		-	-	49		49		-					
Grade 5	350		349		1	-	32		30		2					
Grade 6	248		248		-	-	248		248		-					
Grade 7	263		263		-	-	263		264		(1)					
Grade 8	311		311		-	-	311		310		1					
Grade 9	277		277		-	-	277		275		2					
Grade 10	343		343		-	-	343		337		6					
Grade 11	308		308		-	-	308		307		1					
Grade 12	282		282		-	-	282		279		3					
Post- Graduate					-	-					-					
Adult High School (15+ Credits)					-	-					-					
Adult High School (1-14 Credits)					-	-					-					
Subtotal	3,917	-	3,917	-	-	-	2,302	-	2,289	-	13	-		-	-	-
Sp Ed - Elementary	250		250		-	-	30		30		-		20	20	20	-
Sp Ed - Middle School	150		152		(2)	-	17		17		-		11	11	11	-
Sp Ed - High School	178	8	178	8	-	-	21		21		-		21	20	20	-
Subtotal	578	8	580	8	(2)	-	68	-	68	-	-		52	51	51	-
County Vocational - Regular					-	-					-					
County Vocational - F.T. Post-Second					-	-					-					
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Totals	4,495	8	4,497	8	(2)	-	2,370	-	2,357	-	13	-	52	51	51	-
Percentage Error					-0.04%						0.55%		0.00%			0.00%

**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	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	Sample Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
	Half Day Preschool 3 Years Old			-			-					
Half Day Preschool 4 Years Old			-			-						-
Full Day Preschool 3 Years Old			-			-						-
Full Day Preschool 4 Years Old			-			-						-
Half Day Kindergarten			-			-						-
Full Day Kindergarten	141	144	(3)	4	4	-	13	13	-	4	4	-
Grade 1	189	190	(1)	6	6	-	25	28	(3)	8	7	1
Grade 2	167	168	(1)	5	5	-	21	23	(2)	7	7	-
Grade 3	200	199	1	5	5	-	16	16	-	5	5	-
Grade 4	227	214	13	6	6	-	12	12	-	4	4	-
Grade 5	219	219	-	5	5	-	15	16	(1)	5	5	-
Grade 6	168	180	(12)	4	4	-	6	6	-	2	2	-
Grade 7	183	180	3	7	6	1	10	10	-	3	2	1
Grade 8	210	214	(4)	5	4	1	9	9	-	3	2	1
Grade 9	182	184	(2)	5	5	-	16	10	6	3	3	-
Grade 10	207	208	(1)	5	4	1	14	7	7	2	1	1
Grade 11	170	171	(1)	4	4	-	19	8	11	3	3	-
Grade 12	163	163	-	4	4	-	14	10	4	3	3	-
Post- Graduate			-			-			-			-
Adult High School (15+ Credits)			-			-			-			-
Adult High School (1-14 Credits)			-			-			-			-
<b>Subtotal</b>	<b>2,426</b>	<b>2,434</b>	<b>(8)</b>	<b>65</b>	<b>62</b>	<b>3</b>	<b>190</b>	<b>168</b>	<b>22</b>	<b>52</b>	<b>48</b>	<b>4</b>
Sp Ed - Elementary	182	181	1	3	3	-	3	2	1			-
Sp Ed - Middle School	115	118	(3)	1	1	-	1	1	-			-
Sp Ed - High School	134	138	(4)	4	4	-	-	-	-			-
<b>Subtotal</b>	<b>431</b>	<b>437</b>	<b>(6)</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
County Vocational - Regular			-			-			-			-
County Vocational - F.T. Post-Second			-			-			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>2,857.0</b>	<b>2,871.0</b>	<b>(14.0)</b>	<b>73.0</b>	<b>70.0</b>	<b>3.0</b>	<b>194</b>	<b>171</b>	<b>23</b>	<b>52</b>	<b>48</b>	<b>4</b>
Percentage Error			<u>-0.49%</u>			<u>4.11%</u>			<u>11.86%</u>			<u>7.69%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	177.0	177.0	-	26	26	-
Regular - Special Ed	160.5	160.5	-	24	18	6
Transported - Non Public	-	-	-			-
Special Needs	79.5	79.5	-	12	12	-
	<b>417.0</b>	<b>417.0</b>	<b>-</b>	<b>62</b>	<b>56</b>	<b>6</b>

Percentage Error 0.0% 9.7%



**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13,2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	10	10	-	10.0	10.0	-
Grade 1	6	8	(2)	7.0	7.0	-
Grade 2	8	7	1	7.0	7.0	-
Grade 3	1	1	-	1.0	1.0	-
Grade 4	2	2	-	2.0	2.0	-
Grade 5	3	5	(2)	4.0	4.0	-
Grade 6	2	2	-	2.0	2.0	-
Grade 7	2	2	-	2.0	2.0	-
Grade 8	5	5	-	5.0	5.0	-
Grade 9	1	-	1			-
Grade 10	4	-	4			-
Grade 11	2	1	1	1.0	1.0	-
Grade 12	4	3	1	3.0	3.0	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>50</b>	<b>46</b>	<b>4</b>	<b>44.0</b>	<b>44.0</b>	<b>-</b>
Sp Ed - Elementary	-					-
Sp Ed - Middle School	-					-
Sp Ed - High School	-					-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>50</b>	<b>46</b>	<b>4</b>	<b>44.0</b>	<b>44.0</b>	<b>-</b>
<b>Percentage Error</b>			<b>8.00%</b>			<b>0.00%</b>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**SECTION 1A**

2017-2018 Total General Fund Expenditures per the CAFR	\$ 76,165,439	
Decreased by:		
On-Behalf TPAF Pension & Social Security	9,191,081	
Assets Acquired Under Capital Lease	<u>406,923</u>	
Adjusted 2017-2018 General Fund Expenditures	<u>\$ 66,567,435</u>	
1.5% of Adjusted 2017-2018 General Fund Expenditures	\$ 998,512	
Increased by:		
Allowable Adjustment - Non Public Transportation	<u>\$ 114,260</u>	
	<u>114,260</u>	
Maximum Unassigned Fund Balance		\$ 1,112,772

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2018	\$ 5,135,152	
Decreased by:		
Year End Encumbrances	\$ 686,701	
Capital Reserve	2,386,149	
Maintenance Reserve	228,536	
Designated for Subsequent Year's Expenditures	<u>720,995</u>	
	<u>4,022,381</u>	
Total Unassigned Fund Balance		<u>1,112,771</u>

**SECTION 3**

Restricted Fund Balance - Excess Surplus		<u>\$ -</u>
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**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

**II. Financial Planning, Accounting and Reporting**

It is recommended that:

1. Reimbursements for employee travel expenses be supported by a post travel purpose and relevance report and travel events and attendees be approved in the official District minutes.
2. The District's calculation of the value of accumulated sick pay liabilities at year end be reviewed to ensure that the number of unused sick days are in agreement with employee attendance records.
3. Employee salaries charged to the Title I and Title II grant programs be formally approved by the Board in the official minutes and be charged to the appropriate grant program budget line account.
4. Employee benefits charged to the Title I grant program be made in accordance with the net premiums or waivers paid for the respective Title I funded employees.
5. Expenditures charged to the Title II grant program be made only for allowable costs in accordance with grant program compliance requirements.

**III. School Purchasing Program**

- \* It is recommended that internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid threshold are made in accordance with the requirements of the Public School Contracts Law. In addition, documentation be maintained on file and made available for audit to support the District's compliance with the procedures required under the Public School Contracts Law (N.J.S.A. 18A:18A) and State procurement guidelines

**IV. School Food Service**

It is recommended that student balances be reviewed and a course of action be developed and implemented to reduce the outstanding balance due to the District.

**V. Student Body Activities**

- \* It is recommended that internal controls over financial accounting and report procedures be reviewed and enhanced in the Summer Program student activity account.

**VI. Application for State School Aid**

There are none.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RECOMMENDATIONS**

**VIII. Pupil Transportation**

There are none.

**IX. Facilities and Capital Assets**

There are none.

**X. Miscellaneous**

There are none.

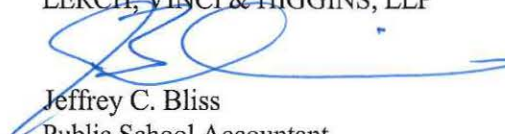
**XI. Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all, except those recommendations denoted with an asterisk (\*).

**ACKNOWLEDGEMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,  
LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss  
Public School Accountant  
Certified Public Accountant