

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**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 December 12, 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
December 12, 2019

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 with exception noted.

- **Finding** – Our audit indicated that employee and employer federal tax withholdings were not always remitted in a timely manner to the IRS. As a result, the District incurred penalties and interest of \$78,801.

Recommendation – Employee and employer federal payroll tax withholdings be promptly remitted to the IRS in accordance with the District's statutory deposit requirements.

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, 2019**

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.

- **Finding (CAFR Finding 2019-001)** – Our audit of outstanding purchase orders indicated the following:
- An amount due for prior year (2017/18) transportation services was not recorded as a liability by the District at year end.
 - Amounts due for payments-in-lieu of transportation, retroactive salary payments and construction management services were reflected as reserved for encumbrances rather than as accounts payable.
 - Purchase order classifications and amounts for architectural services and construction management services with respect to referendum projects were not in agreement with amounts reflected on vendor invoices.

Recommendation – Outstanding purchase orders be reviewed at year end to ensure amounts are accurately reported and properly classified as accounts payable or reserved for encumbrances.

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.

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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

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.

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.

IDEA Part B and Preschool

Separate accounting records were maintained for each approved project. Grant applications, approvals and acceptance of grant funds were made by Board resolution.

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. No exceptions were noted.

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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

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 2019-002)** – 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:
- We noted that payments were made for the acquisition of security cameras and for outdoor security street lamps without solicitation of bids through public advertisement. These contracts were awarded as extraordinary unspecifiable services (EUS); however they did not appear to meet this exemption under the Public School Contracts Law. These acquisitions were funded through a lease purchase agreement.
 - We noted payments were made in excess of the bid threshold for maintenance supplies for which public advertisement for bids were not sought.
 - We noted certain professional service contract awards did not include an amount in the approval resolution. In addition, contract and contract changes for architectural services and construction management services related to the referendum projects were not approved by the Board in the official minutes.
 - We noted payments were made for technology and maintenance supplies, the cost of which exceeded the quote threshold, for which competitive quotations were not sought.

Recommendation – Internal control procedures over purchasing be reviewed and revised to ensure all contract awards and purchases which exceed the bid or quote threshold are made in accordance with the requirements of the Public School Contracts Law.

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, 2019**

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted. We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

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 records of the school food service fund were maintained in good condition. The financial accounts 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, thereby meeting the operating results provision.

- **Finding** – Our audit indicated that revenues reported on the Food Service Management Company's annual operating statement were not in agreement with the District's financial records. The FSMC operating statement reported revenues were \$40,272 higher than the revenues reported in the District's internal accounting records.

Recommendation – Revenues reported by the Food Service Management Company be reconciled with the District's internal financial accounting records.

- **Finding** – Our audit indicated a significant increase in unpaid student balances at year end related to the District's food service program. The balance due to the District at June 30, 2019 is \$222,813 and increase of approximately \$112,000 from the previous year.

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

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.

Applications for free and reduced price meals were reviewed for completeness and accuracy as part of our audit of the Application for State School Aid (ASSA).

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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 indicated that gift cards were purchased for distribution as refunds of unused funds remaining in the account. There were no records maintained reflecting the recipients, dollar amount and number of gift cards purchased and distributed by the program.

Recommendation – Internal controls over gift card purchases and distributions be reviewed and enhanced to ensure sufficient recordkeeping is maintained in the summer program student activity account.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 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 exceptions noted. The information that was included on the workpapers was verified with exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

- **Finding (CAFR Finding 2019-003)** – Our audit of the A.S.S.A. indicated the following:
 - A variance of thirty-one (31) students was noted when comparing the number of on-roll students reported on the ASSA with the supporting district workpapers.
 - Two (2) students reported as attending private schools for the disabled do not appear to have been eligible.
 - A variance of 165 students was noted when comparing the number of low income students reported on the ASSA with the supporting district workpapers.
 - Nineteen (19) instances were noted where students were reported as LEP – low income who did not appear to be eligible for low income status.

Recommendation – Internal controls over the preparation of the Application for State School Aid (A.S.S.A.) be reviewed and enhanced to ensure amounts reported agree with District workpapers and supporting documentation.

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 2018-19 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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).

Management Suggestions

- Transaction ledgers maintained for the High School and Junior High School student activity accounts be computerized and formally reconciled with the respective bank accounts on a monthly basis.
- Checks disbursed from the Unemployment Trust Fund account include two (2) authorization signatures.
- Surety bond coverage be increased to ensure adequate coverage is maintained in accordance with the statutory minimum for the 2019/2020 school year.

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, 2019**

SCHEDULE OF MEAL COUNT ACTIVITY

Not Applicable

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE FUND
SCHEDULES OF NET CASH RESOURCE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | | Food Service | |
|--|---|-------------------------------|------------------|
| <u>Net Cash Resources:</u> | | | |
| CAFR | * | Current Assets | |
| B-4 | | Cash | \$ 407,942 |
| B-4 | | Intergovernmental Receivables | 134,166 |
| B-4 | | Accounts Receivable | 222,813 |
| B-4 | | Due from Other Funds | |
| | | | |
| CAFR | | Current Liabilities | |
| B-4 | | Less Accounts Payable | (465,170) |
| B-4 | | Less Due to Other Funds | 0 |
| B-4 | | Less Unearned Revenue | (10,762) |
| | | Net Cash Resources | \$ 288,989 (A) |
| <u>Net Adj. Total Operating Expense:</u> | | | |
| B-5 | | Total Operating Expenses | 2,467,193 |
| B-5 | | Less Depreciation | (18,255) |
| | | Adj. Tot. Oper. Exp. | \$ 2,448,938 (B) |
| <u>Average Monthly Operating Expense:</u> | | | |
| | | B / 10 | \$ 244,894 (C) |
| <u>Three times monthly Average Operating Expense:</u> | | | |
| | | 3 X C | \$ 612,585 (D) |

| | | | |
|---------------------|----|-----------|--|
| TOTAL IN BOX A | \$ | 288,989 | |
| LESS TOTAL IN BOX D | \$ | (612,585) | |
| NET | \$ | (323,596) | |

Net Cash Resources Did Not Exceed Three Months Expenditures.

**BELLEVILLE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

| | 2019-2020 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 | 23 | | 22 | | 1 | - | 7 | | 7 | | - | | | | | |
| Half Day Preschool 4 Years Old | 25 | | 25 | | - | - | 8 | | 8 | | - | | | | | |
| Full Day Preschool 3 Years Old | | | | | - | - | | | | | - | | | | | |
| Full Day Preschool 4 Years Old | | | | | - | - | | | | | - | | | | | |
| Half Day Kindergarten | | | | | - | - | | | | | - | | | | | |
| Full Day Kindergarten | 282 | | 281 | | 1 | - | 72 | | 72 | | - | | | | | |
| Grade 1 | 300 | | 297 | | 3 | - | 49 | | 49 | | - | | | | | |
| Grade 2 | 306 | | 302 | | 4 | - | 58 | | 58 | | - | | | | | |
| Grade 3 | 269 | | 265 | | 4 | - | 16 | | 16 | | - | | | | | |
| Grade 4 | 277 | | 273 | | 4 | - | 34 | | 34 | | - | | | | | |
| Grade 5 | 307 | | 305 | | 2 | - | 22 | | 22 | | - | | | | | |
| Grade 6 | 348 | | 346 | | 2 | - | | | | | - | | | | | |
| Grade 7 | 253 | | 252 | | 1 | - | 252 | | 252 | | - | | | | | |
| Grade 8 | 265 | | 265 | | - | - | 265 | | 265 | | - | | | | | |
| Grade 9 | 280 | | 280 | | - | - | 280 | | 280 | | - | | | | | |
| Grade 10 | 290 | | 290 | | - | - | 290 | | 290 | | - | | | | | |
| Grade 11 | 335 | | 336 | | (1) | - | 336 | | 336 | | - | | | | | |
| Grade 12 | 290 | | 291 | | (1) | - | 291 | | 291 | | - | | | | | |
| Post- Graduate | | | | | - | - | | | | | - | | | | | |
| Adult High School (15+ Credits) | | | | | - | - | | | | | - | | | | | |
| Adult High School (1-14 Credits) | | | | | - | - | | | | | - | | | | | |
| Subtotal | 3,850 | - | 3,830 | - | 20 | - | 1,980 | - | 1,980 | - | - | - | - | - | - | - |
| Sp Ed - Elementary | 281 | | 280 | | 1 | - | 67 | | 67 | | - | | 11 | 20 | 20 | - |
| Sp Ed - Middle School | 169 | | 163 | | 6 | - | 106 | | 106 | | - | | 17 | 10 | 10 | - |
| Sp Ed - High School | 181 | 4 | 177 | 4 | 4 | - | 177 | | 177 | | - | | 22 | 20 | 18 | 2 |
| Subtotal | 631 | 4 | 620 | 4 | 11 | - | 350 | - | 350 | - | - | - | 50 | 50 | 48 | 2 |
| County Vocational - Regular | | | | | - | - | | | | | - | | | | | |
| County Vocational - F.T. Post-Second | | | | | - | - | | | | | - | | | | | |
| Subtotal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | 4,481 | 4 | 4,450 | 4 | 31 | - | 2,330 | - | 2,330 | - | - | - | 50 | 50 | 48 | 2 |
| Percentage Error | | | | | 0.69% | | | | | | 0.00% | | 0.00% | | 0.00% | |

**BELLEVILLE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

| | Resident 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 |
| Half Day Preschool 3 Years Old | 6 | 2 | 4 | - | - | - |
| Half Day Preschool 4 Years Old | 6 | 2 | 4 | - | - | - |
| Full Day Preschool 3 Years Old | - | - | - | - | - | - |
| Full Day Preschool 4 Years Old | - | - | - | - | - | - |
| Half Day Kindergarten | - | - | - | - | - | - |
| Full Day Kindergarten | 135 | 71 | 64 | 4 | 4 | - |
| Grade 1 | 167 | 152 | 15 | 6 | 6 | - |
| Grade 2 | 176 | 161 | 15 | 5 | 5 | - |
| Grade 3 | 161 | 152 | 9 | 5 | 5 | - |
| Grade 4 | 182 | 170 | 12 | 6 | 6 | - |
| Grade 5 | 198 | 191 | 7 | 5 | 5 | - |
| Grade 6 | 199 | 185 | 14 | 4 | 4 | - |
| Grade 7 | 163 | 157 | 6 | 7 | 6 | 1 |
| Grade 8 | 154 | 152 | 2 | 5 | 5 | - |
| Grade 9 | 152 | 150 | 2 | 5 | 5 | - |
| Grade 10 | 158 | 152 | 6 | 5 | 5 | - |
| Grade 11 | 179 | 176 | 3 | 4 | 4 | - |
| Grade 12 | 138 | 139 | (1) | 4 | 4 | - |
| Post- Graduate | - | - | - | - | - | - |
| Adult High School (15+ Credits) | - | - | - | - | - | - |
| Adult High School (1-14 Credits) | - | - | - | - | - | - |
| Subtotal | 2,174 | 2,012 | 162 | 65 | 64 | 1 |
| Sp Ed - Elementary | 163 | 197 | (34) | 3 | 3 | - |
| Sp Ed - Middle School | 109 | 62 | 47 | 1 | 1 | - |
| Sp Ed - High School | 109 | 119 | (10) | 4 | 4 | - |
| Subtotal | 381 | 378 | 3 | 8 | 8 | - |
| County Vocational - Regular | - | - | - | - | - | - |
| County Vocational - F.T. Post-Second | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Totals | 2,555.0 | 2,390.0 | 165.0 | 73.0 | 72.0 | 1.0 |
| Percentage Error | | | <u>6.46%</u> | | | <u>1.37%</u> |

| | Resident LEP Low Income | | | Sample for Verification | | |
|--------------------------------------|------------------------------------|--|--------------|-------------------------|-------------------------------------|---------------|
| | 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 | 11 | 11 | - | 4 | 4 | - |
| Grade 1 | 18 | 18 | - | 10 | 9 | 1 |
| Grade 2 | 24 | 24 | - | 7 | 3 | 4 |
| Grade 3 | 21 | 21 | - | 5 | 5 | - |
| Grade 4 | 15 | 15 | - | 4 | 3 | 1 |
| Grade 5 | 11 | 11 | - | 4 | 2 | 2 |
| Grade 6 | 11 | 11 | - | 2 | 1 | 1 |
| Grade 7 | 9 | 9 | - | 3 | 1 | 2 |
| Grade 8 | 13 | 13 | - | 3 | 2 | 1 |
| Grade 9 | 12 | 12 | - | 3 | 1 | 2 |
| Grade 10 | 25 | 25 | - | 2 | 1 | 1 |
| Grade 11 | 13 | 13 | - | 3 | 1 | 2 |
| Grade 12 | 10 | 10 | - | 3 | 1 | 2 |
| Post- Graduate | - | - | - | - | - | - |
| Adult High School (15+ Credits) | - | - | - | - | - | - |
| Adult High School (1-14 Credits) | - | - | - | - | - | - |
| Subtotal | 193 | 193 | - | 53 | 34 | 19 |
| Sp Ed - Elementary | 4 | 1 | 3 | 1 | 1 | - |
| Sp Ed - Middle School | - | - | - | - | - | - |
| Sp Ed - High School | 1 | 1 | - | 1 | 1 | - |
| Subtotal | 5 | 2 | 3 | 2 | 2 | - |
| County Vocational - Regular | - | - | - | - | - | - |
| County Vocational - F.T. Post-Second | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Totals | 198 | 195 | 3 | 55 | 36 | 19 |
| Percentage Error | | | <u>1.52%</u> | | | <u>34.55%</u> |

| | Transportation | | | | | |
|--------------------------|--------------------------|-------------------------------|-------------|-----------|-----------|-------------|
| | Reported on DRTRS by DOE | Reported on DRTRS by District | Errors | Tested | Verified | Errors |
| Reg. - Public Schools | 154.0 | 154.0 | - | 22 | 22 | - |
| Regular - Special Ed | 212.0 | 212.0 | - | 24 | 21 | 3 |
| Transported - Non Public | - | - | - | - | - | - |
| Special Needs | 71.0 | 71.0 | - | 12 | 10 | 2 |
| Totals | 437.0 | 437.0 | - | 58 | 53 | 5 |
| Percentage Error | | | <u>0.0%</u> | | | <u>8.6%</u> |

**BELLEVILLE BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID
ENROLLMENT AS OF OCTOBER 15,2018
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 | 7 | 7 | - | 7.0 | 7.0 | - |
| Grade 1 | 9 | 9 | - | 9.0 | 9.0 | - |
| Grade 2 | 10 | 10 | - | 7.0 | 7.0 | - |
| Grade 3 | 3 | 3 | - | 3.0 | 3.0 | - |
| Grade 4 | 2 | 2 | - | 2.0 | 2.0 | - |
| Grade 5 | 4 | 4 | - | 4.0 | 4.0 | - |
| Grade 6 | 4 | 4 | - | 4.0 | 4.0 | - |
| Grade 7 | 4 | 4 | - | 4.0 | 4.0 | - |
| Grade 8 | 4 | 4 | - | 4.0 | 4.0 | - |
| Grade 9 | 6 | 6 | - | 3.0 | 3.0 | - |
| Grade 10 | 2 | 2 | - | 2.0 | 2.0 | - |
| Grade 11 | 8 | 8 | - | 7.0 | 7.0 | - |
| Grade 12 | 3 | 3 | - | 3.0 | 3.0 | - |
| Post- Graduate | | | - | | | - |
| Adult High School (15+ Credits) | | | - | | | - |
| Adult High School (1-14 Credits) | | | - | | | - |
| Subtotal | 66 | 66 | - | 59.0 | 59.0 | - |
| Sp Ed - Elementary | - | | - | | | - |
| Sp Ed - Middle School | - | | - | | | - |
| Sp Ed - High School | - | | - | | | - |
| Subtotal | - | - | - | - | - | - |
| County Vocational - Regular | | | | | | |
| County Vocational - F.T. Post-Second | | | | | | |
| Subtotal | - | - | - | - | - | - |
| Totals | 66 | 66 | - | 59.0 | 59.0 | - |
| Percentage Error | | | <u>0.00%</u> | | | <u>0.00%</u> |

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

SECTION 1A

| | | | |
|--|----|-------------------|-----------|
| 2018-2019 Total General Fund Expenditures per the CAFR | \$ | 81,433,076 | |
| Decreased by: | | | |
| On-Behalf TPAF Pension & Social Security | | 10,822,146 | |
| Assets Acquired Under Capital Lease | | <u>583,000</u> | |
| Adjusted 2018-2019 General Fund Expenditures | \$ | <u>70,027,930</u> | |
| 1.5% of Adjusted 2018-2019 General Fund Expenditures | \$ | 1,050,419 | |
| Increased by: | | | |
| Allowable Adjustment - Extraordinary Aid | \$ | 3,698 | |
| Allowable Adjustment - Non Public Transportation | | <u>104,110</u> | |
| | | <u>107,808</u> | |
| Maximum Unassigned Fund Balance | \$ | | 1,158,227 |

SECTION 2

| | | | |
|--|----|------------------|------------------|
| Total General Fund - Fund Balance at June 30, 2019 | \$ | 6,240,184 | |
| Decreased by: | | | |
| Year End Encumbrances | \$ | 502,380 | |
| Capital Reserve | | 3,339,910 | |
| Maintenance Reserve | | 518,672 | |
| Designated for Subsequent Year's Expenditures | | <u>720,995</u> | |
| | | <u>5,081,957</u> | |
| Total Unassigned Fund Balance | | | <u>1,158,227</u> |

SECTION 3

| | | | |
|--|----|----------|--|
| Restricted Fund Balance - Excess Surplus | \$ | <u>-</u> | |
|--|----|----------|--|

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
RECOMMENDATIONS**

I. Administration Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Employee and employer federal payroll tax withholdings be promptly remitted to the IRS in accordance with the District's statutory deposit requirements.
2. Outstanding purchase orders be reviewed at year end to ensure amounts are accurately reported and properly classified as accounts payable or reserved for encumbrances.

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 or quote threshold are made in accordance with the requirements of the Public School Contracts Law.

IV. School Food Service

It is recommended that:

1. Revenues reported by the Food Service Management Company be reconciled with the District's internal financial accounting records.
- * 2. 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 gift card purchases and distributions be reviewed and enhanced to ensure sufficient recordkeeping is maintained in the summer program student activity account.

VI. Application for State School Aid

It is recommended that internal controls over the preparation of the Application for State School Aid (A.S.S.A.) be reviewed and enhanced to ensure amounts reported agree with District workpapers and supporting documentation.

**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