

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Belleville, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Belleville Township School District**

**Belleville, New Jersey**

**For The Fiscal Year Ended June 30, 2020**

**Prepared by**

**Business Office**

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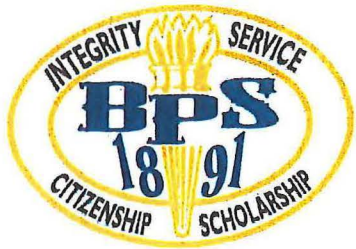
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## **INTRODUCTORY SECTION**



# BELLEVILLE PUBLIC SCHOOLS

## Office of the Superintendent

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Belleville, New Jersey 07109  
[www.bellevilleschools.org](http://www.bellevilleschools.org)

**Richard D. Tomko, Ph.D., M.J.**  
*Superintendent of Schools*

**Matthew J. Paladino**  
*Business Administrator/Board Secretary*  
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March 4, 2021

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

Dear Board Members:

The comprehensive annual financial report of the Belleville School District for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes management discussion and analysis (MD&A), the basic financial statements and schedules, as well as the auditor's report thereon. The MD&A of the District's financial activities is added to this section under GASB 34 to introduce the basic financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the Uniform Administrative requirements, cost principles, and audit requirements for federal awards (Uniform Guidance) and the N.J. Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Belleville School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Belleville Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2019/2020 fiscal year with an enrollment of 4,679 students, which is 1.39 % more than previous year's enrollment. The district's student enrollment over the last two years is 4,495 students in 2017-2018 and 4,615 students in 2018-2019.



**2. ECONOMIC CONDITION AND OUTLOOK:** The Township has little undeveloped land and, accordingly, any new industry will have to be a replacement to existing establishments.

**3. MAJOR INITIATIVES:** Curricula changes have been consistent with the five-year curricula cycle to ensure continuity in programming and proper funding distribution to meet the needs of anticipated curricula changes and implementation of such. Extensive curricular designs took place to better accommodate student needs, including anticipated COVID-19 educational regressions that called for curricular modifications and struggling student intervention strategies. Curricula initiatives and the technology used to support such, have been supported by continuous and ongoing professional development for instructional staff and administration, as needed. Such professional development has been noted in the district PDP plan to address Math, ELA, and all around educational loss. District Teacher Coaching rosters have been maintained through the local budget to allow for seven district teacher coaches. To support 21st Century learning initiatives and to continue to address digital divide issues, the district has continued to purchase technology devices (laptop carts, chrome books, interactive TVs). As such, we were able to have moved to a complete 1:1 technology district; supplying all students across the K-12 spectrum with devices (i.e., Chromebooks in P-12). Library Media Centers throughout the district received much-needed upgrades to transform such spaces into student-friendly media centers that now include makerspaces and areas for student exploration through technology. The district continues to utilize our data collection program (OnCourse Analytics) to compile information from our teacher lesson plans, teacher observations, student information system, discipline records, standardized test scores, and district benchmark assessments to present clear and unambiguous data streams to staff and administration to steer instruction and curricula. The use of a district-wide benchmark assessment tool (OnCourse Assessment) allows staff to monitor and adjust both individual and whole-class learning as per the data outputs. As previously mentioned, to support such efforts our instructional coaches have been maintained to ensure sustainability of best pedagogical practices throughout the district. The instructional coaches have engaged in various professional development learning activities that include, but are not limited to, individual teaching and learning cycles with staff members; new teacher induction program meetings and workshops; data analysis with district stakeholders (building administrators, teachers, and district administrators); and turnkey project leads such as the continued efforts to revisit the elementary *Wonders* ELA program to better support reading and writing. To compliment any such academic elementary initiatives, all elementary schools have instituted a twenty-five minute “period” during their school day to provide individualized support to students. During this period students are also engaged in remedial programs to meet the needs of individual students (R.I.S.E. program). To meet the social-emotional needs of our students, all elementary school staff continue their social-emotional training through professional development providers. Both the Middle School and the High School continued to offer a student “drop-in” center for students in crisis. Both drop-in centers continue to serve students that are struggling with social-emotional situations to allow the time needed for our guidance counselors to focus on student academic progress and growth. The high school guidance department will continue to use programs (Naviance) to compile academic records for students in an effort to expedite the college application process. Such programs will complement our SAT preparation classes that will be offered beyond the traditional school day. The Guidance Department will continue to collect Data through programs that will track our upcoming graduation community service requirement (x2VOL). Credit recovery initiatives will continue at the high school level to allow students to progress towards graduation in addition to their school attendance (BUCS Program, Online Educere, Summer School-MS & HS). To enhance instruction, the district will continue to form formal partnerships with colleges and universities to allow students to accumulate college credits while in Belleville High School. The Advanced Placement program was expanded using Educere as an Option II platform, allowing our students to participate in new AP courses. Option II credit opportunities will continue to expand and work with community organizations to allow for student learning beyond curricula offerings. The district will also continue to support our CTE vocational programs, such as woodshop, through program expansion and alternative Student Learning Experience (SLE) programs to introduce students into the workforce.

**4. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The district was assigned a state monitor by the Department of Education based on a prior year general fund deficit. The Board of Education worked with the state monitor to ensure that the administration maintained appropriate internal controls. The process continues to result in a positive fiscal year end with another budgetary basis surplus balance at June 30, 2020. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5. BUDGETARY CONTROL:** In addition to internal accounting controls, the District is obligated to maintain budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Annual appropriated budgets are adopted for the general fund, and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance as of June 30, 2020.

The district submitted a Corrective Action Plan to the Executive County Superintendent dated January 2, 2020 regarding findings from the 2018-19 audit. The plan included areas of financial accounting; school purchasing practices; student activities; school food service; ASSA and status of prior year audit findings and recommendations. The superintendent, state monitor, business administrator, board of education and administration addressed these issues which were identified in the correction plan. The plan was defined by Action required by the Board, Method of Implementation, position responsible for implementation, and target date for implementation.

**6. ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1. The district filed appropriate monthly financial reports for the 2019-20 school year, which were available to the public. District staffing was monitored closely to reflect the educational needs at all schools. Monthly student enrollment and staffing were compared for adequacy. The district reorganized the registration and residency process to validate home addresses and insure that incoming students would attend the proper school. The Board approved administrative changes and budgetary transfers to insure the fiscal year would not end in a deficit. The State Monitor attended public meetings and with the Superintendent reported the financial condition and board action to the Essex County Executive Superintendent of Schools.

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District did meet its responsibility for sound financial management. The following schedule presents a summary of the general fund revenues from local, state and federal sources for the fiscal year ended June 30, 2020:

<u>Revenues</u>	<u>Amount</u>	<u>% of Total</u>
Local	\$41,143,385	49.26%
State Sources	42,152,412	50.47%
Federal Sources	<u>229,423</u>	<u>0.27%</u>
Total	<u>\$83,525,220</u>	<u>100.0%</u>

The following schedule presents a summary of the general fund expenditures based on instruction, support service, capital expenditure and state loan and lease payments (debt service) to fund the 2013/2014 general fund deficit and to fund building projects, technology upgrades and transportation, vehicles, respectively. The schedule represents expenditures for the fiscal year ending June 30, 2020:

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expenditures:		
Instruction	\$50,783,236	60.23%
Support Services	31,024,661	36.80%
Capital Outlay	1,366,033	1.62%
Debt Service	<u>1,135,622</u>	<u>1.35%</u>
Total Expenditures	<u>\$ 84,309,552</u>	<u>100.0%</u>

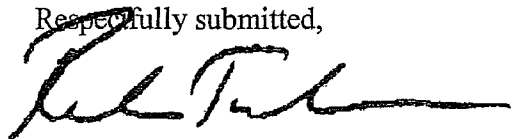
**8. DEBT ADMINISTRATION:** On June 30, 2020 the District had \$46,010,000 in serial bonds. The District issued serial bonds in March 2018 to finance the 2017 referendum projects. The district also has outstanding capital leases totaling \$4,563,414 and lease-purchase agreements totaling \$295,648 at June 30, 2020.

**9. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements". The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

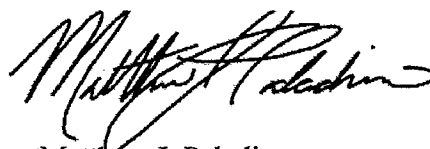
**10. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds

**11. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related Uniform Administrative requirements, cost principles, and audit requirements for federal awards (Uniform Guidance) and N.J. Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,



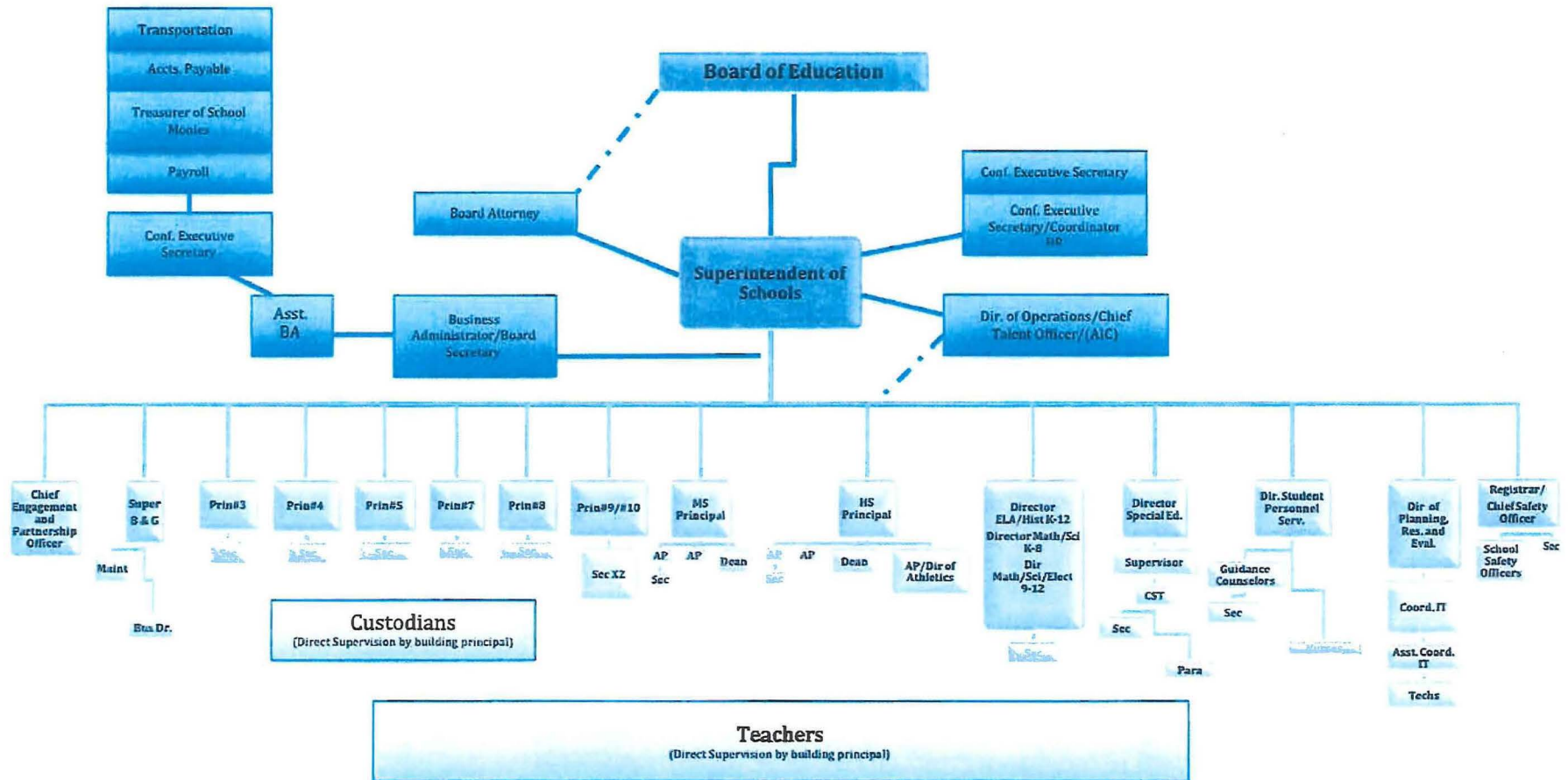
Dr. Richard D. Tomko, Ph.D., M.J.  
Superintendent of Schools



Matthew J. Paladino  
Business Administrator/Board Secretary

# POLICY 1110 Organizational Chart

T.A



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2020**

**Members of the Board of Education**

**Term Expires December 31**

Christine Lamparello, President	2021
Gabrielle Bennet – Meany, Vice President	2022
Nelson Barrera	2021
Erika Jacho	2020
Luis Muniz	2022
Michael Sheldon	2020
Ralph Tunis	2022

**Other Officials**

Richard D. Tomko, Ph.D., M. J. Superintendent of Schools

Matthew Paladino, Board Secretary/School Business Administrator

Debra Besold, Treasurer of School Monies

The Busch Law Firm, Board Counsel

Thomas Egan, State Monitor

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2020**

**ARCHITECT**

DiCara – Rubino Architects  
30 Galesi Drive  
Wayne, New Jersey 07470

**ATTORNEY**

The Busch Law Firm  
450 Main Street  
Metuchen, New Jersey, 08840

**AUDIT FIRM**

Lerch, Vinci & Higgins LLP  
17-17 Route 208  
Fair Lawn, NJ 07410

**OFFICIAL DEPOSITORY**

Valley National Bank  
237 Washington Avenue  
Belleville, New Jersey 07407

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA  
CHRISTINA CUIFFO, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
Board of Education  
Belleville Board of Education  
Belleville, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Belleville Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Belleville Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2021 on our consideration of the Belleville Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Belleville Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Belleville Board of Education's internal control over financial reporting and compliance.

*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  
March 4, 2021

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**

# BELLEVILLE TOWNSHIP SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

This section of Belleville Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes to the financial statements, which immediately follow this discussion and analysis.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Belleville Township School District exceeded its assets and deferred outflows of resources at the close of the fiscal year resulting in a net position deficit of \$7,402,907.
- The District's total net position increased by \$3,193,494 or 30%.
- Overall District revenues were \$98,037,690. General revenues accounted for \$70,228,040 or 72% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27,809,650 or 28% of total revenues.
- The school district had \$92,698,371 in expenses for governmental activities; only \$25,404,347 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted state) of \$70,224,431 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$22,217,993. Of this amount, \$22,911,496 is restricted for capital projects, \$833,315 is restricted for required maintenance projects, \$275,813 is assigned to year end encumbrances, \$720,995 is assigned and designated for subsequent year's expenditures and the remaining amount is the unassigned fund deficit of \$2,523,626.
- The General Fund fund balance at June 30, 2020 was \$3,303,035 an increase of \$341,691 compared to the ending fund balance at June 30, 2019 of \$2,961,344.
- The General Fund budgetary fund balance at June 30, 2020 was \$7,026,073, which represents an increase of \$785,889 compared to the ending budgetary fund balance at June 30, 2019 of \$6,240,184.
- The District's governmental activities capital assets, net increased by \$18,289,325 during the current fiscal year.
- The District's governmental activities long-term liabilities decreased by \$1,518,850 during the current fiscal year. This decrease is primarily attributable to a decrease in the net pension liability apportioned to the District by the State of New Jersey.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

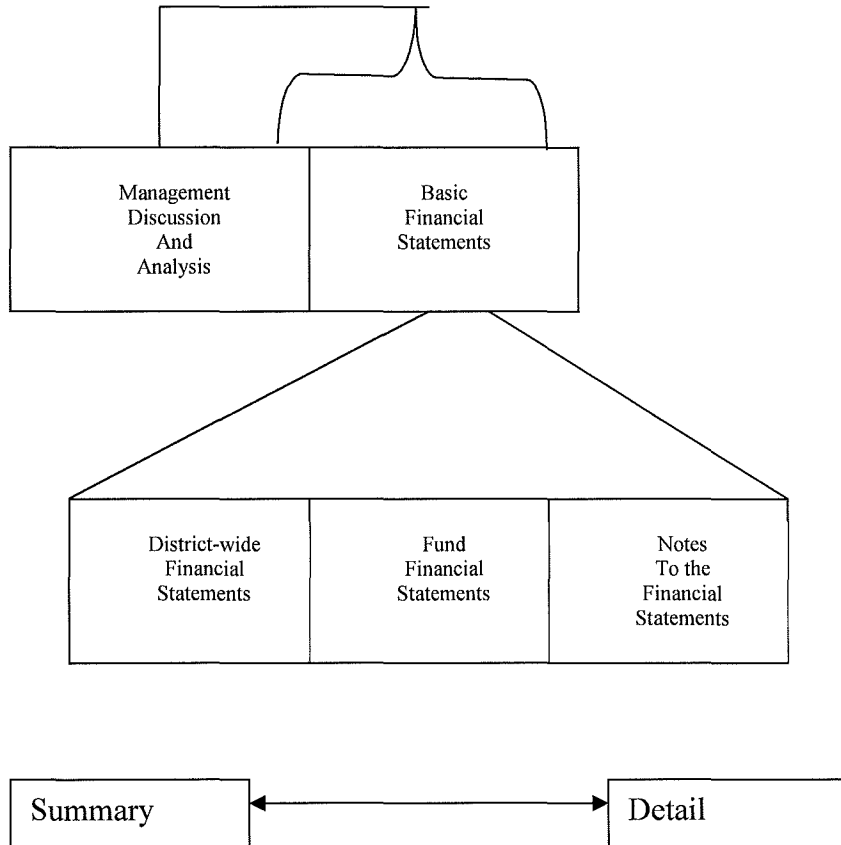
Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors’ Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District’s operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



# BELLEVILLE TOWNSHIP SCHOOL DISTRICT

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2020

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district(except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds	Instances in which the district administers resources on behalf of someone else, such as unemployment compensation, student activities and payroll activities
Required financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows	Statement of Fiduciary Net Position. Statement of Change In Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of asset, liability and deferred inflows/outflows information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and Long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

### District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how it has changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or *position*.

- Over time, increases or decreases in the District’s net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school buildings and other facilities.

# BELLEVILLE TOWNSHIP SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food services (cafeteria) program is included under this category.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

- *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund for its food service (cafeteria) program.

- *Internal Service Funds* – This fund is established to account for activities that provide services primarily for the District's other programs and activities. The District currently uses an internal service fund to account for its worker's compensation self-insurance program. Because these services benefit governmental rather than business-type functions, they have been included in *governmental activities* in the district-wide financial statements.

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets and other resources that belong to others. The District is responsible for ensuring that the assets and other resources reported in these funds are used only for their intended purposes and by those to whom they belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these resources to finance its operations.



BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans, as well as, the post-retirement medical benefits plan has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons, pension and post-retirement medical benefits information.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position deficit was \$7,402,907 on June 30, 2020 and \$10,596,401 on June 30, 2019 as follows:

Net Position  
As of June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and Other Assets	\$ 27,433,299	\$ 43,490,692	\$ 730,441	\$ 793,847	\$ 28,163,740	\$ 44,284,539
Capital Assets	42,019,255	23,729,930	34,198	42,503	42,053,453	23,772,433
<b>Total Assets</b>	<u>69,452,554</u>	<u>67,220,622</u>	<u>764,639</u>	<u>836,350</u>	<u>70,217,193</u>	<u>68,056,972</u>
<b>Deferred Outflows of Resources</b>	<u>1,816,180</u>	<u>3,297,204</u>	<u>-</u>	<u>-</u>	<u>1,816,180</u>	<u>3,297,204</u>
<b>Liabilities</b>						
Long-Term Liabilities	67,285,489	68,804,339			67,285,489	68,804,339
Other Liabilities	5,822,951	6,440,675	131,126	475,932	5,954,077	6,916,607
<b>Total Liabilities</b>	<u>73,108,440</u>	<u>75,245,014</u>	<u>131,126</u>	<u>475,932</u>	<u>73,239,566</u>	<u>75,720,946</u>
<b>Deferred Inflows of Resources</b>	<u>6,184,115</u>	<u>6,227,040</u>	<u>12,599</u>	<u>2,591</u>	<u>6,196,714</u>	<u>6,229,631</u>
<b>Net Position</b>						
Net Investment in Capital Assets	10,217,537	8,275,755	34,198	42,503	10,251,735	8,318,258
Restricted	4,744,647	3,873,834			4,744,647	676,149
Unrestricted	(22,986,005)	(23,103,817)	586,716	315,324	(22,399,289)	(22,788,493)
<b>Total Net Position</b>	<u>\$ (8,023,821)</u>	<u>\$ (10,954,228)</u>	<u>\$ 620,914</u>	<u>\$ 357,827</u>	<u>\$ (7,402,907)</u>	<u>\$ (10,596,401)</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or statutory requirements. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

The District's deficit in total net position of \$7,402,907 at June 30, 2020 represents a \$3,193,494 or an 30% increase in net position from the prior year deficit of \$10,596,401. The following presents the changes in net position for the fiscal years ended June 30, 2020 and 2019.

Changes in Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for Services and Sales	\$ 40,644	\$ 141,378	\$ 454,073	\$ 735,937	\$ 494,717	\$ 877,315
Operating Grants and Contributions	25,298,745	26,571,885	1,951,230	1,863,753	27,249,975	28,435,638
Capital Grants and Contributions	64,958	40,348			64,958	40,348
General Revenues						-
Property Taxes	42,846,456	41,686,406			42,846,456	41,686,406
Unrestricted State Aid	26,564,905	22,973,588			26,564,905	22,973,588
Miscellaneous Income	813,070	1,928,687	3,609	5,002	816,679	1,933,689
<b>Total Revenues</b>	<b>95,628,778</b>	<b>93,342,292</b>	<b>2,408,912</b>	<b>2,604,692</b>	<b>98,037,690</b>	<b>95,946,984</b>
<b>Expenses</b>						
Instruction						
Regular	37,537,094	37,635,718			37,537,094	37,635,718
Special Education	14,581,653	15,712,840			14,581,653	15,712,840
Other Instruction	3,543,388	3,476,881			3,543,388	3,476,881
School Sponsored Activities and Athletics	1,298,940	1,270,129			1,298,940	1,270,129
Support Services						
Student and Instruction Related Services	10,575,755	10,190,037			10,575,755	10,190,037
General Administrative Services	2,000,525	2,124,309			2,000,525	2,124,309
School Administrative Services	7,012,283	6,638,604			7,012,283	6,638,604
Central Administrative Services	2,128,628	2,023,229			2,128,628	2,023,229
Plant Operations and Maintenance	8,221,959	7,565,970			8,221,959	7,565,970
Pupil Transportation	4,057,620	3,761,757			4,057,620	3,761,757
Interest on Long-Term Debt	1,740,526	1,795,797			1,740,526	1,795,797
Food Services	-	-	2,145,825	2,467,193	2,145,825	2,467,193
<b>Total Expenses</b>	<b>92,698,371</b>	<b>92,195,271</b>	<b>2,145,825</b>	<b>2,467,193</b>	<b>94,844,196</b>	<b>94,662,464</b>
<b>Change in Net Position</b>	<b>2,930,407</b>	<b>1,147,021</b>	<b>263,087</b>	<b>137,499</b>	<b>3,193,494</b>	<b>1,284,520</b>
<b>Net Position, Beginning of Year</b>	<b>(10,954,228)</b>	<b>(12,101,249)</b>	<b>357,827</b>	<b>220,328</b>	<b>(10,596,401)</b>	<b>(11,880,921)</b>
<b>Net Position, End of Year</b>	<b>\$ (8,023,821)</b>	<b>\$ (10,954,228)</b>	<b>\$ 620,914</b>	<b>\$ 357,827</b>	<b>\$ (7,402,907)</b>	<b>\$ (10,596,401)</b>

# BELLEVILLE TOWNSHIP SCHOOL DISTRICT

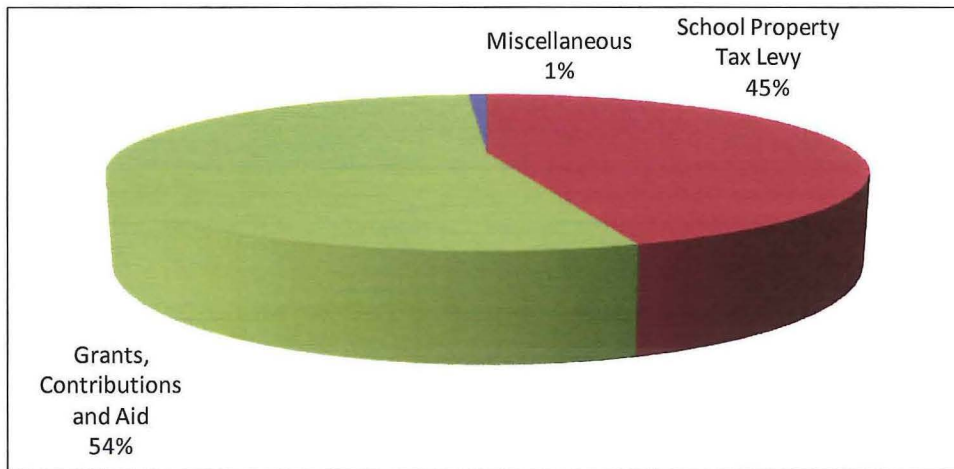
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$95,628,778 for the fiscal year ended June 30, 2020. Property taxes of \$42,846,456 represented 45% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$51,928,608 or 54% of revenues. In addition, charges for services from tuition and transportation as well as general revenue from miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

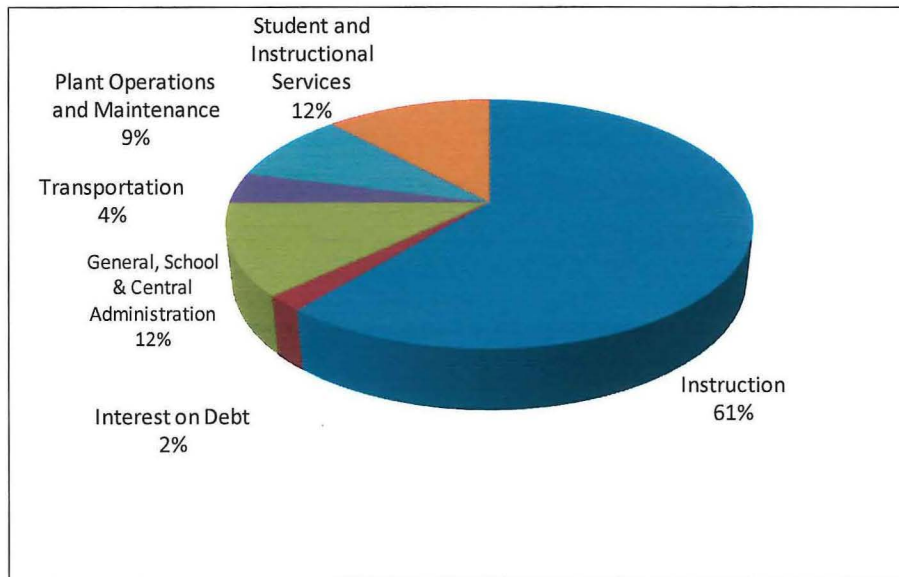
The total cost of all governmental activities programs and services was \$92,698,371 for the fiscal year ended June 30, 2020. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$56,961,075 (61%) of total expenses. Support services costs were \$33,996,770 (37%) of total expenses and interest on debt totaled \$1,740,526 (2%) of total expenses.

For fiscal year 2020, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$2,930,407 from the previous year's balance.

**Revenues by Sources – Governmental Activities  
For Fiscal Year 2020**



**Expenses by Type-Governmental Activities  
For Fiscal Year 2020**



BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**Net Cost of Governmental Activities.** The District's total cost of services was \$92,698,371. After applying program revenues, derived from operating and capital grants and contributions of \$25,363,703 and charges for services of \$40,644, the net cost of services of the District was \$67,294,024 for the fiscal year ended June 30, 2020.

**Total and Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction:				
Regular	\$ 37,537,094	\$ 37,635,718	\$ 28,497,283	\$ 26,488,705
Special Education	14,581,653	15,712,840	7,802,669	8,426,549
Other Instruction	3,543,388	3,476,881	2,741,738	2,486,289
School Sponsored Activities and Athletics	1,298,940	1,270,129	1,055,364	945,299
Support Services:				
Student & Instruction Related Services	10,575,755	10,190,037	8,255,932	7,969,516
General Administrative Services	2,000,525	2,124,309	1,802,332	1,790,658
School Administrative Services	7,012,283	6,638,604	5,585,607	4,990,085
Central Administrative Services	2,128,628	2,023,229	1,893,701	1,737,841
Plant Operations and Maintenance	8,221,959	7,565,970	5,658,052	5,816,101
Pupil Transportation	4,057,620	3,761,757	3,174,410	2,994,820
Interest on Long Term Debt	<u>1,740,526</u>	<u>1,795,797</u>	<u>826,936</u>	<u>1,795,797</u>
<b>Total</b>	<b><u>\$ 92,698,371</u></b>	<b><u>\$ 92,195,271</u></b>	<b><u>\$ 67,294,024</u></b>	<b><u>\$ 65,441,660</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$2,408,912 for the fiscal year ended June 30, 2020. Charges for services of \$454,073 accounted for 19% of total revenues and operating grants and contributions of \$1,951,230 accounted for 81% of total revenues. Miscellaneous income represented less than one percent.

Total cost of all business-type activities programs and services was \$2,145,825 for the fiscal year ended June 30, 2020.

For fiscal year 2020, total business-type activities revenues exceeded expenses, increasing net position by \$263,087 or 74% compared to the previous year.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2020**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$22,217,993 at June 30, 2020, a decrease of \$15,184,014 from last year's fund balance of \$37,402,007. This decrease is primarily attributable to current year expenditures related to the 2017 referendum projects for various school facility improvements which were previously funded by the issuance of serial bonds in March 2018.

Revenues for the District's governmental funds were \$91,698,849, while total expenditures were \$111,061,588 for the fiscal year ended June 30, 2020. In addition, other financing sources of \$4,178,725 were realized from capital lease proceeds.

**GENERAL FUND**

The General Fund includes the primary operations of the District in providing educational services to students from Pre-K through 12 including pupil transportation, extra-curricular activities and plant operation and maintenance costs and capital outlay.

The following schedule presents a summary of General Fund Revenues.

	<b>Fiscal Year Ended <u>June 30, 2020</u></b>	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Local Sources:				
Property Tax Levy	\$ 40,954,080	\$ 40,082,343	\$ 871,737	2%
Tuition and Transportation	40,644	141,378	(100,734)	-71%
Miscellaneous	148,661	790,518	(641,857)	-81%
State Sources	42,152,412	39,515,205	2,637,207	7%
Federal Sources	<u>229,423</u>	<u>163,554</u>	<u>65,869</u>	40%
Total General Fund Revenues	<u>\$ 83,525,220</u>	<u>\$ 80,692,998</u>	<u>\$ 2,832,222</u>	4%

For fiscal year 2020, total General Fund revenues increased \$2,832,222 or 4% from the previous year. Property taxes increased \$871,737 or 2% to support increases in budgeted operating costs. Revenues from tuition and transportation decreased 71% primarily due to a decline in out of district student enrollment. Revenues from miscellaneous local sources decreased 81% as a result of a reduction in E-Rate revenues. As indicated, State aid increased 7% mainly attributable to increases in equalization aid, as well as, on behalf pension contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	<b>Fiscal Year Ended <u>June 30, 2020</u></b>	<b>Fiscal Year Ended <u>June 30, 2019</u></b>	<b>Amount of Increase <u>(Decrease)</u></b>	<b>Percent Change</b>
Instruction	\$ 50,783,236	\$ 50,253,531	\$ 529,705	1%
Support Services	31,024,661	29,372,044	1,652,617	6%
Debt Service	1,135,622	1,747,974	(612,352)	-35%
Capital Outlay	<u>1,366,033</u>	<u>59,527</u>	<u>1,306,506</u>	2195%
Total Expenditures	<u>\$ 84,309,552</u>	<u>\$ 81,433,076</u>	<u>\$ 2,876,476</u>	4%

# BELLEVILLE TOWNSHIP SCHOOL DISTRICT

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

### GENERAL FUND (Continued)

For fiscal year 2020, total General Fund expenditures increased \$2,876,476 or 4% over the previous year. Increases in regular education instruction costs and support service costs for student and instruction related services, school administration and pupil transportation were offset by reductions in debt service in the current year. Also a significant increase of \$1,306,506 of capital outlay expenditures was noted in comparison to the prior year as a result of various school facility improvement projects undertaken in the current year.

In fiscal year 2020 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$341,691. Therefore, the total fund balance increased to \$3,303,035 at June 30, 2020. After deducting restricted, committed and assigned fund balances, the unassigned fund deficit increased from \$2,120,613 at June 30, 2019 to \$2,435,768 at June 30, 2020. However, total restricted fund balances increased \$883,413 to \$4,741,995 at June 30, 2020.

### General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant difference between the budgetary basis of accounting and generally accepted accounting principles is the legally mandated revenue recognition of certain delayed or deferred state aid payments. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through the appropriation of restricted fund balance, reappropriation of prior year encumbrances and budget transfers to prevent over expenditures in specific line item accounts.

For fiscal year 2020 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$785,889 from the previous year. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$129,043, from a fund balance of \$1,158,227 at June 30, 2019 to a fund balance of \$1,287,270 at June 30, 2020. In addition, the District increased its restricted fund balance for capital reserve \$568,770 to \$3,908,680 at June 30, 2020, and maintenance reserve \$314,643 to \$833,315 at June 30, 2020.

### CAPITAL ASSETS

At the end of fiscal year 2020, the District had \$42,019,255 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$34,198 for business type activities. The following is a comparison of the June 30, 2020 and 2019 balances:

**Capital Assets**  
(Net of Accumulated Depreciation)  
at June 30, 2020 and 2019

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 225,057	\$ 225,057			\$ 225,057	\$ 225,057
Construction in Progress	11,430,861	10,903,232			11,430,861	10,903,232
Land Improvements	702,970	535,439			702,970	535,439
Buildings and Improvements	28,561,445	10,873,701			28,561,445	10,873,701
Furniture, Equipment and Vehicles	<u>1,098,922</u>	<u>1,192,501</u>	<u>\$ 34,198</u>	<u>\$ 42,503</u>	<u>1,133,120</u>	<u>1,235,004</u>
<b>Total Capital Assets, Net</b>	<u>\$ 42,019,255</u>	<u>\$ 23,729,930</u>	<u>\$ 34,198</u>	<u>\$ 42,503</u>	<u>\$ 42,053,453</u>	<u>\$ 23,772,433</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2020

**LONG TERM LIABILITIES**

At June 30, 2020 the District had \$67,285,489 of total outstanding long-term liabilities for governmental activities. Of this amount, \$46,010,000 is for bonds payable, \$5,087,530 is for capital leases and lease-purchase agreements, \$1,843,819 is for compensated absences, \$2,081,211 is for the state aid advance loan payable and \$12,262,929 is for the District’s net pension liability. The following is a comparison of the June 30, 2020 and 2019 balances:

**Outstanding Long-Term Liabilities  
as of June 30, 2020 and 2019**

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Bonds Payable	\$ 46,010,000	\$ 48,536,000
Capital Leases/Lease Purchases, net	5,087,530	1,925,847
Compensated Absences	1,843,819	1,693,526
State Aid Advance Loan Payable	2,081,211	2,497,454
Net Pension Liability	<u>12,262,929</u>	<u>14,151,512</u>
<b>Total</b>	<b><u>\$ 67,285,489</u></b>	<b><u>\$ 68,804,339</u></b>

Additional information of the District’s long-term liabilities is presented in Note 3 of this report.

**FACTORS BEARING ON THE DISTRICT’S FUTURE**

While many factors influence the District’s future, the availability of funding for increased enrollment, staffing needs, facility improvements, the District’s financial condition and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District’s administration during the process of developing the fiscal year 2019-2020 budget. The primary factors were the District’s projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2020-2021. Budgeted expenditures in the General Fund increased approximately 5% to \$77,231,242 for fiscal year 2020-2021. Increases in State aid funded the majority of the increase in budgeted expenditures.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Belleville Township School District, 102 Passaic Ave., Belleville, NJ 07109.

## **BASIC FINANCIAL STATEMENTS**



**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,519,206	\$ 190,174	\$ 4,709,380
Investments	18,846,537		18,846,537
Receivables, Net	733,663	501,689	1,235,352
Internal Balances	(72)	72	
Inventory		38,506	38,506
Restricted Assets			
Cash and Cash Equivalents with Fiscal Agent	3,333,965		3,333,965
Capital Assets, Not Being Depreciated	11,655,918		11,655,918
Capital Assets, Being Depreciated, Net	<u>30,363,337</u>	<u>34,198</u>	<u>30,397,535</u>
Total Assets	<u>69,452,554</u>	<u>764,639</u>	<u>70,217,193</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,816,180</u>	-	<u>1,816,180</u>
Total Deferred Outflows of Resources	<u>1,816,180</u>	-	<u>1,816,180</u>
Total Assets and Deferred Outflows of Resources	<u>71,268,734</u>	<u>764,639</u>	<u>72,033,373</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	5,048,599	113,826	5,162,425
Payable to Other Governments	19,900		19,900
Accrued Interest Payable	653,642		653,642
Unearned Revenue	100,810	17,300	118,110
Noncurrent Liabilities			
Due Within One Year	3,475,105		3,475,105
Due Beyond One Year	<u>63,810,384</u>	-	<u>63,810,384</u>
Total Liabilities	<u>73,108,440</u>	<u>131,126</u>	<u>73,239,566</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	6,184,115		6,184,115
Deferred Commodities Revenue	<u>-</u>	<u>12,599</u>	<u>12,599</u>
Total Deferred Inflows of Resources	<u>6,184,115</u>	<u>12,599</u>	<u>6,196,714</u>
Total Liabilities and Deferred Inflows of Resources	<u>79,292,555</u>	<u>143,725</u>	<u>79,436,280</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,217,537	34,198	10,251,735
Restricted for:			
Capital Projects	3,911,332		3,911,332
Plant Maintenance	833,315		833,315
Unrestricted	<u>(22,986,005)</u>	<u>586,716</u>	<u>(22,399,289)</u>
	<u>\$ (8,023,821)</u>	<u>\$ 620,914</u>	<u>\$ (7,402,907)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 37,537,094	\$ 2,100	\$ 8,972,753	\$ 64,958	\$ (28,497,283)		\$ (28,497,283)
Special Education	14,581,653	27,044	6,751,940		(7,802,669)		(7,802,669)
Other Instruction	3,543,388		801,650		(2,741,738)		(2,741,738)
School Sponsored Activities and Athletics	1,298,940		243,576		(1,055,364)		(1,055,364)
Support Services:							
Student & Instruction Related Services	10,575,755		2,319,823		(8,255,932)		(8,255,932)
General Administrative Services	2,000,525		198,193		(1,802,332)		(1,802,332)
School Administrative Services	7,012,283		1,426,676		(5,585,607)		(5,585,607)
Central Administrative Services	2,128,628		234,927		(1,893,701)		(1,893,701)
Plant Operations and Maintenance	8,221,959		2,563,907		(5,658,052)		(5,658,052)
Pupil Transportation	4,057,620	11,500	871,710		(3,174,410)		(3,174,410)
Interest on Long Term Debt	1,740,526	-	913,590	-	(826,936)	-	(826,936)
<b>Total Governmental Activities</b>	<b>92,698,371</b>	<b>40,644</b>	<b>25,298,745</b>	<b>64,958</b>	<b>(67,294,024)</b>	<b>-</b>	<b>(67,294,024)</b>
Business-Type Activities:							
Food Service	2,145,825	454,073	1,951,230	-	-	\$ 259,478	259,478
<b>Total Business-Type Activities</b>	<b>2,145,825</b>	<b>454,073</b>	<b>1,951,230</b>	<b>-</b>	<b>-</b>	<b>259,478</b>	<b>259,478</b>
<b>Total Primary Government</b>	<b>\$ 94,844,196</b>	<b>\$ 494,717</b>	<b>\$ 27,249,975</b>	<b>\$ 64,958</b>	<b>(67,294,024)</b>	<b>259,478</b>	<b>(67,034,546)</b>

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Continued

The accompanying Notes to Financial Statements are an integral part of this statement.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 40,954,080		\$ 40,954,080
Levied for Debt Service	1,892,376		1,892,376
Unrestricted State Aid	25,179,331		25,179,331
State Aid for Debt Service Principal	1,385,574		1,385,574
Miscellaneous Income	813,070	\$ 3,609	816,679
Total General Revenues	<u>70,224,431</u>	<u>3,609</u>	<u>70,228,040</u>
Change in Net Position	2,930,407	263,087	3,193,494
Net Position, Beginning of Year	<u>(10,954,228)</u>	<u>357,827</u>	<u>(10,596,401)</u>
Net Position, End of Year	<u>\$ (8,023,821)</u>	<u>\$ 620,914</u>	<u>\$ (7,402,907)</u>

**FUND FINANCIAL STATEMENTS**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 4,370,902	\$ 9,048			\$ 4,379,950
Investments			18,846,537		18,846,537
Receivables From Other Governments	203,665	438,575			642,240
Other Receivables	73,476	206			73,682
Due from Other Funds	1,475,998				1,475,998
Restricted Assets					
Cash and Cash Equivalents with Fiscal Agent	-	-	3,333,965	-	3,333,965
Total Assets	<u>\$ 6,124,041</u>	<u>\$ 447,829</u>	<u>\$ 22,180,502</u>	<u>\$ -</u>	<u>\$ 28,752,372</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 2,611,782	\$ 414,977	\$ 1,719,429		\$ 4,746,188
Accrued Salaries and Wages	209,152				209,152
Payable to State Government		19,900			19,900
Due to Other Funds	72		1,458,257		1,458,329
Unearned Revenue	-	100,810	-	-	100,810
Total Liabilities	<u>2,821,006</u>	<u>535,687</u>	<u>3,177,686</u>	<u>-</u>	<u>6,534,379</u>
Fund Balances					
Restricted					
Capital Reserve	3,908,680				3,908,680
Maintenance Reserve	833,315				833,315
Capital Projects			19,002,816		19,002,816
Assigned					
Year End Encumbrances	275,813				275,813
Designated for Subsequent Year's Expenditures	720,995				720,995
Unassigned	<u>(2,435,768)</u>	<u>(87,858)</u>	<u>-</u>	<u>-</u>	<u>(2,523,626)</u>
Total Fund Balances	<u>3,303,035</u>	<u>(87,858)</u>	<u>19,002,816</u>	<u>-</u>	<u>22,217,993</u>
Total Liabilities and Fund Balances	<u>\$ 6,124,041</u>	<u>\$ 447,829</u>	<u>\$ 22,180,502</u>	<u>\$ -</u>	<u>\$ 28,752,372</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

<b>Total Fund Balances - Governmental Funds (Exhibit B-1)</b>		<b>\$ 22,217,993</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,172,893 and the accumulated depreciation is \$19,153,638.</p>		
		42,019,255
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources in the statement of the net position and amortized over future years.</p>		
Deferred Outflows of Resources	\$ 1,816,180	
Deferred Inflows of Resources	<u>(6,184,115)</u>	
		(4,367,935)
<p>The District has financed capital assets through the issuance of serial bonds, long-term lease obligations, and notes. The interest accrual at year end is:</p>		
		(653,642)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds</p>		
General Obligation Bonds	(46,010,000)	
Capital Leases (including unamortized premium)	(4,791,882)	
Lease-Purchase Agreements	(295,648)	
State Aid Advance Loan Payable	(2,081,211)	
Compensated Absences	(1,843,819)	
Net Pension Liability	<u>(12,262,929)</u>	
		(67,285,489)
<p>Internal service funds are used by management to charge the costs of certain worker's compensation claims. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net assets</p>		
		<u>45,997</u>
<b>Net Position of Governmental Activities (Exhibit A-1)</b>		<b><u>\$ (8,023,821)</u></b>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Property Tax Levy	\$ 40,954,080			\$ 1,892,376	\$ 42,846,456
Tuition	29,144				29,144
Transportation	11,500				11,500
Miscellaneous	148,661	\$ 51,827	\$ 447,298	-	647,786
<b>Total - Local Sources</b>	<b>41,143,385</b>	<b>51,827</b>	<b>447,298</b>	<b>1,892,376</b>	<b>43,534,886</b>
State Sources	42,152,412	920,474		2,299,164	45,372,050
Federal Sources	229,423	2,562,490	-	-	2,791,913
<b>Total Revenues</b>	<b>83,525,220</b>	<b>3,534,791</b>	<b>447,298</b>	<b>4,191,540</b>	<b>91,698,849</b>
<b>EXPENDITURES</b>					
Instruction					
Regular	33,218,842	1,596,756			34,815,598
Special Education	13,068,728	1,116,876			14,185,604
Other Instruction	3,270,510	43,096			3,313,606
School Sponsored Activities and Athletics	1,225,156				1,225,156
Support Services					
Student and Instruction Related Services	9,601,323	437,469			10,038,792
General Administrative Services	1,936,873	52,000			1,988,873
School Administrative Services	6,691,243				6,691,243
Central Administrative Services	2,141,175				2,141,175
Plant Operations and Maintenance	6,584,568	6,814			6,591,382
Pupil Transportation	4,069,479				4,069,479
Debt Service					
Principal	1,101,140	286,613		2,526,000	3,913,753
Interest	34,482	18,067		1,665,540	1,718,089
Capital Outlay	1,366,033	64,958	18,937,847	-	20,368,838
<b>Total Expenditures</b>	<b>84,309,552</b>	<b>3,622,649</b>	<b>18,937,847</b>	<b>4,191,540</b>	<b>111,061,588</b>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(784,332)	(87,858)	(18,490,549)	-	(19,362,739)
<b>OTHER FINANCING SOURCES(USES)</b>					
Capital Lease Proceeds	678,725		3,226,000		3,904,725
Premium on Capital Lease Proceeds	-		274,000		274,000
Transfers In	447,298				447,298
Transfers Out	-	-	(447,298)	-	(447,298)
<b>Total Other Financing Sources(Uses)</b>	<b>1,126,023</b>	<b>-</b>	<b>3,052,702</b>	<b>-</b>	<b>4,178,725</b>
<b>Net Change in Fund Balances</b>	<b>341,691</b>	<b>(87,858)</b>	<b>(15,437,847)</b>	<b>-</b>	<b>(15,184,014)</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,961,344</b>	<b>-</b>	<b>34,440,663</b>	<b>-</b>	<b>37,402,007</b>
<b>Fund Balance, End of Year</b>	<b>\$ 3,303,035</b>	<b>\$ (87,858)</b>	<b>\$ 19,002,816</b>	<b>\$ -</b>	<b>\$ 22,217,993</b>

The accompanying Notes to Financial Statements are an integral part of this statement.



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (15,184,014)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the period.

Capital Outlays	\$	20,368,838	
Depreciation Expense		<u>(2,079,513)</u>	
			18,289,325

The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement activities.

Capital Lease Proceeds			(3,904,725)
------------------------	--	--	-------------

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond Principal		2,526,000	
Capital Lease Principal		684,897	
Lease-Purchase Agreement Principal		286,613	
State Aid Advance Loan Payable		<u>416,243</u>	
			3,913,753

Governmental funds report the proceeds from premiums on long-term debt when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Premium on Capital Lease		(274,000)	
Amortization of Premium		<u>45,532</u>	
			(228,468)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when paid. The accrued interest is an decrease to the reconciliation. (+)

(67,969)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and pension expense are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned or incurred amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned or incurred amount the difference is an addition to the reconciliation (+).

Net Increase in Compensated Absences		(150,293)	
Net Decrease in Pension Expense		<u>450,484</u>	
			300,191

Internal service funds are used by management to charge the costs of certain worker's compensation claims to individual funds. The net revenue or (expenses) of certain activities of internal service funds is reported with governmental activities.

(187,686)

**Change in Net Position of Governmental Activities (Exhibit A-2)** \$ 2,930,407

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

	<u>Business-Type Activities Enterprise Fund</u>	<u>Internal Service Fund Worker's Compensation Self-Insurance Fund</u>
	<u>Food Service</u>	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 190,174	\$ 139,256
Intergovernmental Receivable	237,382	
Other Accounts Receivable	264,307	
Due from Other Fund	72	
Inventories	<u>38,506</u>	<u>-</u>
Total Current Assets	<u>730,441</u>	<u>139,256</u>
Capital Assets		
Equipment	767,751	
Accumulated Depreciation	<u>(733,553)</u>	<u>-</u>
Total Capital Assets, Net	<u>34,198</u>	<u>-</u>
Total Assets	<u>764,639</u>	<u>139,256</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	113,826	
Claims and Judgements Payable		83,130
Accrued Liability for Insurance Claims		10,129
Unearned Revenue	<u>17,300</u>	<u>-</u>
Total Current Liabilities	<u>131,126</u>	<u>93,259</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Commodities Revenue	<u>12,599</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>143,725</u>	<u>93,259</u>
<b>NET POSITION</b>		
Investment in Capital Assets	34,198	
Unrestricted	<u>586,716</u>	<u>45,997</u>
Total Net Position	<u>\$ 620,914</u>	<u>\$ 45,997</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUND  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund</b>	<b>Internal Service Fund Worker's Compensation Self-Insurance Fund</b>
	<b>Food Service</b>	
<b>OPERATING REVENUES</b>		
Local Sources		
Daily Sales - Reimbursable Programs	\$ 302,080	
Daily Sales - Non-Reimbursable Programs	151,993	
Miscellaneous Revenue	-	\$ 212,844
 Total Operating Revenues	 454,073	 212,844
<b>OPERATING EXPENSES</b>		
Salaries and Employee Benefits	914,383	
Cost of Sales - Reimbursable Programs	679,822	
Cost of Sales - Non-Reimbursable Programs	319,916	
Repairs & Maintenance	49,623	
Supplies and Materials	37,145	
Other Purchased Services	26,571	
Insurance	17,810	
Management Fee	60,995	
Miscellaneous Expense	31,255	
Worker's Compensation Claims		404,797
Depreciation	8,305	-
 Total Operating Expenses	 2,145,825	 404,797
 Operating Income (Loss)	 (1,691,752)	 (191,953)
<b>Nonoperating Revenues</b>		
State Sources		
State School Lunch Program	20,941	
Federal Sources		
School Breakfast Program	712,396	
National School Lunch Program	1,078,926	
Food Distribution Program	138,967	
Interest Earnings	3,609	4,267
 Total Nonoperating Revenues	 1,954,839	 4,267
 Changes in Net Position	 263,087	 (187,686)
 Total Net Position, Beginning of Year	 357,827	 233,683
 Total Net Position, End of Year	 \$ 620,914	 \$ 45,997

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund</b>	<b>Internal Service Fund Worker's Compensation Self-Insurance Fund</b>
	<b>Food Service</b>	<b>Fund</b>
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 419,117	\$ 212,844
Cash Payments for Employees Salaries and Benefits	(914,383)	
Cash Payments to Suppliers for Goods and Services	<u>(1,435,086)</u>	<u>(422,673)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(1,930,352)</u>	<u>(209,829)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Cash Received from (Paid to) Other Funds	(72)	
Cash Received from State and Federal Subsidy Reimbursements	<u>1,709,047</u>	<u>-</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,708,975</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>		
Interest Earnings Received	<u>3,609</u>	<u>4,267</u>
Net Cash Provided by Investing Activities	<u>3,609</u>	<u>4,267</u>
Net (Decrease) in Cash and Cash Equivalents	(217,768)	(205,562)
Cash and Cash Equivalents, Beginning of Year	<u>407,942</u>	<u>344,818</u>
Cash and Cash Equivalents, End of Year	<u>\$ 190,174</u>	<u>\$ 139,256</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ (1,691,752)	\$ (191,953)
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities		
Depreciation	8,305	
Non-Cash Federal Assistance-Food Distribution Program	138,967	
Change in Assets, Liabilities and Deferred Inflows of Resources		
(Increase)/Decrease in Accounts Receivable	(41,494)	
(Increase)/Decrease in Inventory	(9,580)	
(Increase)/Decrease in Prepaid Expense		
Increase/(Decrease) in Accounts Payable	(351,344)	
Increase/(Decrease) in Claims and Judgements Payable		(16,825)
Increase/(Decrease) in Accrued Liability for Insurance Claims		(1,051)
Increase/(Decrease) in Unearned Revenue	6,538	
Increase/(Decrease) in Deferred Commodities Revenue	<u>10,008</u>	<u>-</u>
Total Adjustments	<u>(238,600)</u>	<u>(17,876)</u>
Net Cash (Used For) Operating Activities	<u>\$ (1,930,352)</u>	<u>\$ (209,829)</u>
Non-Cash Invest, Capital and Financing Activities:		
Value Received - Food Distribution Program	\$ 148,975	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020**

	<b>Unemployment Compensation <u>Trust</u></b>	<b>Agency <u>Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 48,837	\$ 1,229,727
Due from Other Funds	<u>19,367</u>	<u>-</u>
Total Assets	<u>\$ 68,204</u>	<u>\$ 1,229,727</u>
<b>LIABILITIES</b>		
Intergovernmental Payable - State	\$ 21,979	
Due to Student Groups		\$ 139,402
Accrued Salaries and Wages		4,230
Payroll Deductions and Withholdings		440,588
Employee Deposits Payable		608,399
Due to Other Funds	<u>-</u>	<u>37,108</u>
Total Liabilities	<u>\$ 21,979</u>	<u>\$ 1,229,727</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 46,225</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		<b>Unemployment Compensation <u>Trust Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employee	\$	67,140
Investment Earnings		
Interest		156
		156
Total Additions		67,296
<b>DEDUCTIONS</b>		
Unemployment Claims and Contributions		52,230
		52,230
Total Deductions		52,230
Change in Net Position		15,066
Net Position, Beginning of Year		31,159
		31,159
Net Position, End of Year	\$	46,225

The accompanying Notes to Financial Statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Belleville Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Belleville Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.



**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Additionally, the District reports the following fund types:

The *internal service fund* accounts for the activities of the Districts self-insured worker's compensation program coverages provided to other departments or funds of the District on a cost reimbursement basis.

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**3. Inventories**

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**4. Restricted Assets**

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by capital lease agreements for capital projects.

**5. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	45-50
Building Improvements	10-25
Heavy Equipment	10
Office Equipment and Furniture	5
Computer Equipment	5

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arise only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**6. *Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**7. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**8. *Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***9. Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums are deferred and amortized over the life of the debt using the effective interest method. Long-term debts payable are reported with the unamortized premium. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize debt premiums, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***10. Net Position/Fund Balance***

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District’s fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2D).

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2E).

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. Net Position/Fund Balance (Continued)**

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by the District for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**11. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.



**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the District’s internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budgets transfers during 2019/2020. Also, during 2019/2020 the Board increased the original general and special revenue fund budgets by \$2,317,476. The increase was funded by the additional appropriation of capital reserve, additional aid and grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Required Maintenance			
Cleaning, Repair & Maintenance Service	\$140,618	\$163,032	\$(22,414)

The above variance was offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$2,435,768 in the General Fund and \$87,858 in the Special Revenue Fund as of June 30, 2020 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2019/2020 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General and Special Revenue Fund deficits do not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficits in the GASB (Fund) financial statement of \$2,435,768 in the General Fund and \$87,858 in the Special Revenue Fund are equal to or less than the delayed state aid payments at June 30, 2020.

**D. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 3,339,910
Increased by:		
Interest Earnings	\$ 5,000	
Unspent Budget Appropriations Funded by Reserve	79,734	
Deposits by Board Resolution	<u>936,429</u>	
		<u>1,021,163</u>
		4,361,073
Decreased by:		
Withdrawals Approved by Board Resolution		<u>452,393</u>
Balance, June 30, 2020		<u>\$ 3,908,680</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan.

**E. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 518,672
Increased by:		
Interest Earnings	\$ 2,500	
Deposits by Board Resolution	<u>312,143</u>	
		<u>314,643</u>
Balance, June 30, 2020		<u>\$ 833,315</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,823,220.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$5,994,098 and bank and brokerage firm balances of the Board's deposits amounted to \$6,625,562. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 6,619,408
Uninsured and Collateralized	<u>6,154</u>
	<u>\$ 6,625,562</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 the Board's bank balance of \$6,154 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department in the Board's name	<u>\$ 6,154</u>
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**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2020, the Board had the following investments:

<b><u>Investment Type:</u></b>	<b><u>Fair Value</u></b>
U.S. Government Securities:	
NJ ARM Managed Account (U.S. Treasury Notes)	\$ 18,846,537
BNY Mellon Invesco Treasury Fund (U.S. Treasury Obligations)	<u>3,327,811</u>
	<u>\$ 22,174,348</u>

**Custodial Credit Risk – Investments** – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral \$22,174,348 of the Board’s investments was exposed to custodial credit risk as follows:

	<b><u>Fair Value</u></b>
Uninsured and Collateralized:	
Collateral held by pledging financing institutions' trust department or agent but not in the Board's name	<u>\$ 22,174,348</u>

**Interest Rate Risk** – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board’s investments are in NJ Asset Rebate Management Program (NJ ARM) and BNY Mellon Invesco Treasury Fund. These investments are 100% of the District’s total investments.

The fair value of the above-listed investments were based on quoted market prices provided by NJ ARM and BNY Mellon.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 122,871	\$ 14,580	\$ 2,282	\$ 139,733
Federal	80,794	423,995	235,100	739,889
Accounts	<u>73,476</u>	<u>206</u>	<u>264,307</u>	<u>337,989</u>
Gross Receivables	277,141	438,781	501,689	1,217,611
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 277,141</u>	<u>\$ 438,781</u>	<u>\$ 501,689</u>	<u>\$ 1,217,611</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 54,049
Grant Draw Down Reserve for Encumbrances	<u>46,761</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 100,810</u>

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance, July 1, 2019	Increases	Decreases	Balance, June 30, 2020
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 225,057			\$ 225,057
Construction in Progress	<u>10,903,232</u>	<u>\$ 19,376,446</u>	<u>\$ (18,848,817)</u>	<u>11,430,861</u>
Total Capital Assets, Not Being Depreciated	<u>11,128,289</u>	<u>19,376,446</u>	<u>(18,848,817)</u>	<u>11,655,918</u>
Capital Assets, Being Depreciated:				
Land Improvements	567,214	206,580		773,794
Building and Building Improvements	24,528,777	19,406,262		43,935,039
Machinery and Equipment	<u>4,579,775</u>	<u>228,367</u>	<u>-</u>	<u>4,808,142</u>
Total Capital Assets Being Depreciated	<u>29,675,766</u>	<u>19,841,209</u>	<u>-</u>	<u>49,516,975</u>
Less Accumulated Depreciation for:				
Land Improvements	(31,775)	(39,049)	-	(70,824)
Buildings and Improvements	(13,655,076)	(1,718,518)	-	(15,373,594)
Machinery and Equipment	<u>(3,387,274)</u>	<u>(321,946)</u>	<u>-</u>	<u>(3,709,220)</u>
Total Accumulated Depreciation	<u>(17,074,125)</u>	<u>(2,079,513)</u>	<u>-</u>	<u>(19,153,638)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,601,641</u>	<u>17,761,696</u>	<u>-</u>	<u>30,363,337</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,729,930</u>	<u>\$ 37,138,142</u>	<u>\$ (18,848,817)</u>	<u>\$ 42,019,255</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Equipment	\$ 767,751	-	-	\$ 767,751
Total Capital Assets Being Depreciated	<u>767,751</u>	<u>-</u>	<u>-</u>	<u>767,751</u>
Less Accumulated Depreciation for:				
Equipment	<u>(725,248)</u>	<u>\$ (8,305)</u>	<u>-</u>	<u>(733,553)</u>
Total Accumulated Depreciation	<u>(725,248)</u>	<u>(8,305)</u>	<u>-</u>	<u>(733,553)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,503</u>	<u>(8,305)</u>	<u>-</u>	<u>34,198</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,503</u>	<u>\$ (8,305)</u>	<u>\$ -</u>	<u>\$ 34,198</u>



**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction	
Regular	\$ 172,544
Total Instruction	<u>172,544</u>
Support Services	
Student and Instruction Related Services	16,293
General Administrative	2,446
Plant Operations and Maintenance	1,836,011
Pupil Transportation	<u>52,219</u>
Total Support Services	<u>1,906,969</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,079,513</u>

**Business-Type Activities:**

Food Service Fund	<u>\$ 8,305</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,305</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
Various Building Renovations, Upgrades and Improvements at School No.7	\$ 2,450,130
Various Building Renovations, Upgrades and Improvements at the High School	3,555,453
Elevator Additions at School No's 4,5,7,9, and 10	<u>4,887,000</u>
	<u>\$ 10,892,583</u>

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,458,257
General Fund	Payroll Agency Fund	17,741
Food Service Fund	General Fund	72
Unemployment Compensation Trust Fund	Payroll Agency Fund	<u>19,367</u>
Total		<u>\$ 1,495,437</u>

The above balances are the result of revenues earned or deposited in one fund which are due to another fund or expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

**Interfund Transfers**

	<u>Transfer In:</u>
	General Fund
Transfer Out:	
Capital Projects Fund	<u>\$ 447,298</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases**

**Operating Leases**

The District leases copiers, buildings, chromebooks, under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2020 were \$382,519. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2021	\$ 557,519
2022	498,214
2023	300,000
2024	300,000
2025	<u>175,000</u>
Total	<u>\$ 1,830,733</u>

**Capital Leases and Lease Purchase Agreements**

The District is leasing school buses, boiler replacements, turf field acquisition of equipment an a security camera project, totaling \$6,279,705 under capital leases and chromebooks (supplies) totaling \$847,246 under lease purchase agreements. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Construction in Progress	\$ 48,938
Building Improvements	3,050,212
Machinery and Equipment	<u>181,151</u>
	<u>\$ 3,280,301</u>

The unexpended proceeds from capital leases in the amount of \$3,333,965 at June 30, 2020 are held with the Fiscal Agents.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases and Lease Purchase Agreements (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Capital Leases</u>	<u>Lease Purchase Agreements</u>
2021	\$ 1,523,591	\$ 304,681
2022	1,134,638	-
2023	873,198	-
2024	871,473	-
2025	<u>721,600</u>	<u>-</u>
Total minimum lease payments	5,124,500	304,681
Less: amount representing interest	<u>(561,086)</u>	<u>(9,033)</u>
Present value of minimum lease payments	<u>\$ 4,563,414</u>	<u>\$ 295,648</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2020 are comprised of the following issues:

\$48,536,000, 2018 Bonds, due in annual installments of \$1,370,000 to \$2,740,000 through September 1, 2042, interest at 3.00% to 4.00%	<u>\$46,010,000</u>
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**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

The Board's schedule of principal and interest for long-term serial bonds issued and outstanding is as follows:

**Governmental Activities:**

Year Ended June 30,	Serial Bonds		Total
	Principal	Interest	
2021	\$ 1,370,000	1,607,100	\$ 2,977,100
2022	1,405,000	1,565,475	2,970,475
2023	1,450,000	1,522,650	2,972,650
2024	1,495,000	1,478,475	2,973,475
2025	1,540,000	1,432,950	2,972,950
2026-2030	8,435,000	6,432,225	14,867,225
2031-2035	9,970,000	4,992,913	14,962,913
2036-2040	12,125,000	2,895,500	15,020,500
2041-2042	8,220,000	493,200	8,713,200
	<u>\$ 46,010,000</u>	<u>22,420,488</u>	<u>\$ 68,430,488</u>

**State Aid Advance Loan Payable**

In March 2015, the Board entered into a loan agreement with the State of New Jersey in the amount of \$4,162,426 pursuant to N.J.S.A. 18A:7A-56 in the form of an advancement of state aid to provide funds to eliminate the unassigned budgetary fund deficit in the General Fund. The State aid advance loan is being repaid by the school district through automatic reductions in the State aid provided to the school district in each year. The term of the loan repayment is ten (10) years which began in the 2015/2016 school year at a minimum amount of \$416,243 per year, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance. The State Treasurer has not imposed interest during the 2019/2020 school year.

The Board's schedule of principal and interest for long-term state aid advance loan debt issued and outstanding is as follows:

Year Ended June 30,	State Aid Advance Loan		Total
	Principal	Interest	
2021	\$ 416,243		\$ 416,243
2022	416,243		416,243
2023	416,243		416,243
2024	416,243		416,243
2025	416,239	-	416,239
Totals	<u>\$ 2,081,211</u>	<u>\$ -</u>	<u>\$ 2,081,211</u>

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 116,108,287
Less: Net Debt Issued and Authorized But Not Issued	<u>46,010,601</u>
Remaining Borrowing Power	<u>\$ 70,097,686</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance, July 1, 2019	Additions	Reductions	Balance, June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Serial Bonds	\$ 48,536,000	\$ -	\$ 2,526,000	\$ 46,010,000	\$ 1,370,000
Capital Leases	1,343,586	\$ 3,904,725	684,897	4,563,414	1,278,214
Premium on Capital Leases	-	274,000	45,532	228,468	-
Total Capital Leases	<u>1,343,586</u>	<u>4,178,725</u>	<u>730,429</u>	<u>4,791,882</u>	<u>1,278,214</u>
Lease - Purchase Agreements	582,261		286,613	295,648	295,648
Compensated Absences	1,693,526	259,104	108,811	1,843,819	115,000
State Aid Advance Loan Payable	2,497,454		416,243	2,081,211	416,243
Net Pension Liability	<u>14,151,512</u>	-	<u>1,888,583</u>	<u>12,262,929</u>	-
Governmental Activity Long-term Liabilities	<u>\$ 68,804,339</u>	<u>\$ 4,437,829</u>	<u>\$ 5,956,679</u>	<u>\$ 67,285,489</u>	<u>\$ 3,475,105</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, the liabilities for compensated absences, state aid advance loan and net pension liability are generally liquidated by the general fund.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Prior to July 1, 2014, the District established a worker's compensation plan for its employees. Transactions related to the plan are accounted for in the Internal Service Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$450,000 for any one accident or occurrence. Any claims in excess of this amount are covered by insurance policies to the statutory limit.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2020, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$93,259 reported at June 30, 2020 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2020 and 2019 are as follows:

<b>Governmental Activities:</b>	<u>Fiscal Year Ended</u>	
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Unpaid Claims, Beginning of Year	\$ 111,135	\$ 220,537
Incurred Claims (Including IBNR)	404,797	559
Claim Payments	<u>(422,673)</u>	<u>(109,961)</u>
Unpaid Claims, End of Year	<u>\$ 93,259</u>	<u>\$ 111,135</u>

The District is a member of the New Jersey School Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2020	\$ -	\$ 67,140	\$ 52,230	\$ 46,225
2019	14,000	66,062	73,070	31,159
2018	22,000	63,137	82,392	23,964

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.



**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees’ Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers’ Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members’ beneficiaries are entitled to full interest credited to the members’ accounts.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2020.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	On-behalf		
	PERS	TPAF	DCRP
2020	\$ 662,003	\$ 6,377,170	\$ 64,214
2019	714,908	5,859,492	50,950
2018	685,256	4,236,771	35,237

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,635, \$1,648 and \$6,265, respectively for PERS and the State contributed \$4,653, \$4,985 and \$4,875, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,448,221 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$12,262,929 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .06806 percent, which was a decrease of .00381 percent from its proportionate share measured as of June 30, 2018 of .07187 percent.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$211,519 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 220,104	\$ 54,172
Changes of Assumptions	1,224,498	4,256,424
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		193,575
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>371,578</u>	<u>1,679,944</u>
Total	<u>\$ 1,816,180</u>	<u>\$ 6,184,115</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (816,585)
2022	(1,237,385)
2023	(1,212,575)
2024	(935,762)
2025	<u>(165,628)</u>
	<u>\$ (4,367,935)</u>

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>PERS</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%



**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2057

Municipal Bond Rate \*    From July 1, 2057  
and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>15,490,072</u>	\$ <u>12,262,929</u>	\$ <u>9,543,604</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,563,290 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$179,091,407. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .29182 percent, which was an increase of .01094 percent from its proportionate share measured as of June 30, 2018 of .28088 percent.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 211,188,408</u>	<u>\$ 179,091,407</u>	<u>\$ 152,461,032</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>364,943</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$2,365,813, \$2,657,856 and \$2,736,440, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,892,511. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$112,414,037. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .26939 percent, which was a decrease of .00295 percent from its proportionate share measured as of June 30, 2018 of .27234 percent.



**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.75% to 5.65%
Mortality:	
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>125,579,264</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,266,489
Interest on the Total OPEB Liability	4,960,852
Differences Between Expected and Actual Experience	(20,720,186)
Changes of Assumptions	1,676,103
Gross Benefit Payments	(3,450,776)
Contributions from the Member	102,291
<b>Net Changes</b>	<u>\$ (13,165,227)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>112,414,037</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**BELLEVILLE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 132,896,275	\$ 112,414,037	\$ 96,132,773

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 92,916,749	\$ 112,414,037	\$ 138,199,947

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Belleville Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 SUBSEQUENT EVENTS**

**Withdrawal of Fund Balance**

On July 20, 2020 and December 21, 2020 the Board approved the withdrawal and appropriation of \$285,000 and \$369,000, respectively of Capital Reserve restricted fund balance to the 2020/2021 General Fund budget for various school facility projects in the Long Range Facilities Plan.

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 40,954,080		\$ 40,954,080	\$ 40,954,080	
Tuition From Other LEAs Within the State	80,000		80,000	27,044	\$ (52,956)
Tuition From Other Sources	115,000		115,000	2,100	(112,900)
Transportation Fees				11,500	11,500
Interest on Maintenance Reserve	2,500		2,500	2,500	
Interest on Capital Reserve	5,000		5,000	5,000	
Interest Earnings				70,234	70,234
Unrestricted Miscellaneous Revenues	125,000	-	125,000	70,927	(54,073)
<b>Total Local Revenues</b>	<u>41,281,580</u>	<u>-</u>	<u>41,281,580</u>	<u>41,143,385</u>	<u>(138,195)</u>
State Sources					
Special Education Aid	3,112,840		3,112,840	3,112,840	
Equalization Aid	25,275,095		25,275,095	25,275,095	
Security Aid	1,686,624		1,686,624	1,686,624	
Transportation Aid	625,449		625,449	625,449	
Extraordinary Special Education Costs Aid	500,000		500,000	700,745	200,745
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				6,264,879	6,264,879
Pension - NCGI Premium				112,291	112,291
Post Retirement Medical Benefit Contribution				2,365,813	2,365,813
Long Term Disability Insurance				4,653	4,653
Reimbursed Social Security Contribution	-	-	-	2,448,221	2,448,221
<b>Total State Revenues</b>	<u>31,200,008</u>	<u>-</u>	<u>31,200,008</u>	<u>42,596,610</u>	<u>11,396,602</u>
Federal Sources					
Federal Emergency Management Agency (FEMA)		\$ 80,794	80,794	80,794	-
Special Education Medicaid Initiative Reimbursement	123,785	-	123,785	148,629	24,844
	<u>123,785</u>	<u>80,794</u>	<u>204,579</u>	<u>229,423</u>	<u>24,844</u>
<b>Total Revenues</b>	<u>72,605,373</u>	<u>80,794</u>	<u>72,686,167</u>	<u>83,969,418</u>	<u>11,283,251</u>
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,103,046	(137,703)	965,343	965,343	
Grades 1-5	6,897,116	(122,013)	6,775,103	6,775,103	
Grades 6-8	3,770,077	(2,441)	3,767,636	3,767,636	
Grades 9-12	7,630,529	186,976	7,817,505	7,817,325	180
Regular Programs - Home Instruction					
Salaries of Teachers	250,000	64,352	314,352	314,352	
Purchased Professional-Educational Services	55,000	848	55,848	55,304	544
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	30,880	8,125	39,005	39,005	-
Purchased Technical Services	5,000		5,000	5,000	
Other Purchased Services	1,700	882,609	884,309	884,309	
General Supplies	436,055	162,356	598,411	534,126	64,285
Textbooks	975,000	(612,697)	362,303	362,303	-
Other Objects	10,500	(4,692)	5,808	5,779	29
<b>Total Regular Programs</b>	<u>21,164,903</u>	<u>425,720</u>	<u>21,590,623</u>	<u>21,525,585</u>	<u>65,038</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	\$ 570,688	\$ (48,506)	\$ 522,182	\$ 522,182	
Other Salaries for Instruction	377,422	20,658	398,080	390,114	\$ 7,966
General Supplies	2,100	-	2,100	2,100	-
Total Learning / Language Disabilities	<u>950,210</u>	<u>(27,848)</u>	<u>922,362</u>	<u>914,396</u>	<u>7,966</u>
Behavioral Disabilities					
Salaries of Teachers	455,327	61,138	516,465	516,465	
Other Salaries for Instruction	82,522	12,171	94,693	92,626	2,067
General Supplies	2,500	41	2,541	2,514	27
Total Behavioral Disabilities	<u>540,349</u>	<u>73,350</u>	<u>613,699</u>	<u>611,605</u>	<u>2,094</u>
Multiple Disabilities					
Salaries of Teachers	288,843	56,557	345,400	345,400	
Other Salaries for Instruction	166,320	(4,277)	162,043	162,043	-
Total Multiple Disabilities	<u>455,163</u>	<u>52,280</u>	<u>507,443</u>	<u>507,443</u>	<u>-</u>
Resource Room / Resource Center					
Salaries of Teachers	2,720,543	(188,387)	2,532,156	2,532,156	
Other Salaries for Instruction	379,059	(48,136)	330,923	319,377	11,546
General Supplies	6,550	(293)	6,257	6,257	-
Total Resource Room / Resource Center	<u>3,106,152</u>	<u>(236,816)</u>	<u>2,869,336</u>	<u>2,857,790</u>	<u>11,546</u>
Autism					
Salaries of Teachers	562,875	8,920	571,795	571,795	
Other Salaries for Instruction	360,114	50,658	410,772	410,772	-
General Supplies	21,405	14,730	36,135	35,001	1,134
Total Autism	<u>944,394</u>	<u>74,308</u>	<u>1,018,702</u>	<u>1,017,568</u>	<u>1,134</u>
Preschool Disabilities - Part - Time					
Other Salaries for Instruction		-			
General Supplies	-	5,998	5,998	1,973	4,025
Total Preschool Disabilities - Part - Time	<u>-</u>	<u>5,998</u>	<u>5,998</u>	<u>1,973</u>	<u>4,025</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	320,442	(218,120)	102,322	102,322	
Other Salaries for Instruction	329,098	(94,235)	234,863	234,227	636
General Supplies	21,000	(21,000)	-	-	-
Total Preschool Disabilities - Full - Time	<u>670,540</u>	<u>(333,355)</u>	<u>337,185</u>	<u>336,549</u>	<u>636</u>
Home Instruction					
Salaries of Teachers	70,000	(14,791)	55,209	55,209	-
Purchased Professional and Educational Services	-	24,880	24,880	400	24,480
Total Home Instruction	<u>70,000</u>	<u>10,089</u>	<u>80,089</u>	<u>55,609</u>	<u>24,480</u>
<b>Total Special Education</b>	<u>6,736,808</u>	<u>(381,994)</u>	<u>6,354,814</u>	<u>6,302,933</u>	<u>51,881</u>



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial					
Salaries of Teachers	\$ 974,536	\$ 109,411	\$ 1,083,947	\$ 1,083,947	-
Total Basic Skills/Remedial	<u>974,536</u>	<u>109,411</u>	<u>1,083,947</u>	<u>1,083,947</u>	<u>-</u>
Bilingual Education					
Salaries of Teachers	1,038,362	26,496	1,064,858	1,064,858	-
General Supplies	-	1,621	1,621	1,621	-
Total Bilingual Education	<u>1,038,362</u>	<u>28,117</u>	<u>1,066,479</u>	<u>1,066,479</u>	<u>-</u>
School Sponsored Co-Curricular Activities					
Salaries	203,239	38,488	241,727	239,529	\$ 2,198
Total School Sponsored Co-Curricular Activities	<u>203,239</u>	<u>38,488</u>	<u>241,727</u>	<u>239,529</u>	<u>2,198</u>
School Sponsored Athletics - Instruction					
Salaries	458,448	(4,443)	454,005	451,906	2,099
Purchased Services	119,500	(60,567)	58,933	58,933	-
Supplies and Materials	76,750	(8,912)	67,838	65,421	2,417
Other Objects	59,176	(6,100)	53,076	49,701	3,375
Total School Sponsored Athletics - Instruction	<u>713,874</u>	<u>(80,022)</u>	<u>633,852</u>	<u>625,961</u>	<u>7,891</u>
Total - Instruction	<u>30,831,722</u>	<u>139,720</u>	<u>30,971,442</u>	<u>30,844,434</u>	<u>127,008</u>
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	700,000	(472,597)	227,403	221,568	5,835
Tuition to County Vocational School District-Reg.	265,000	158,936	423,936	423,936	-
Tuition to County Vocational School/Dist.-Spec.	67,900	(3,262)	64,638	64,638	-
Tuition to County Special Services - School Districts & Regional Day Schools	650,000	(75,148)	574,852	568,114	6,738
Tuition to Private Schools - Disabled Within State	2,400,000	499,648	2,899,648	2,739,322	160,326
Tuition - Other	25,000	14,520	39,520	39,520	-
Total Undistributed Expenditures - Instruction (Tuition)	<u>4,107,900</u>	<u>122,097</u>	<u>4,229,997</u>	<u>4,057,098</u>	<u>172,899</u>
Health Services					
Salaries	907,748	(71,767)	835,981	835,929	52
Purchased Professional and Technical Services	65,850	(5,850)	60,000	50,000	10,000
Other Purchased Services	2,820	32,811	35,631	35,631	-
Supplies and Materials	13,794	6,651	20,445	18,927	1,518
Total Health Services	<u>990,212</u>	<u>(38,155)</u>	<u>952,057</u>	<u>940,487</u>	<u>11,570</u>
Speech, OT, PT and Related Services					
Salaries	788,431	2,721	791,152	791,152	-
Purchased Professional - Educational Services	575,000	113,130	688,130	561,792	126,338
Total Speech, OT, PT and Related Services	<u>1,363,431</u>	<u>115,851</u>	<u>1,479,282</u>	<u>1,352,944</u>	<u>126,338</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Other Support Services-Students-Extra Services					
Salaries	\$ 49,478	\$ 6,056	\$ 55,534	\$ 55,534	
Purchased Professional-Educational Services	700,000	21,600	721,600	701,011	\$ 20,589
Total Other Support Services-Extra	749,478	27,656	777,134	756,545	20,589
Guidance					
Salaries of Other Professional Staff	1,081,980	140,765	1,222,745	1,222,348	397
Salaries of Secretarial and Clerical Assistants	178,716	(10,974)	167,742	167,742	-
Purchased Professional-Educational Services	25,000	(8,252)	16,748	16,748	-
Supplies and Materials	15,275	(7,365)	7,910	7,629	281
Total Guidance	1,300,971	114,174	1,415,145	1,414,467	678
Child Study Team					
Salaries of Other Professional Staff	1,720,926	63,104	1,784,030	1,759,606	24,424
Salaries of Secretarial and Clerical Assistants	151,034	(2,171)	148,863	145,945	2,918
Other Purchased Professional and Technical Services	42,500	(22,234)	20,266	20,266	-
Other Purchased Services	-	10,798	10,798	1,214	9,584
Supplies and Materials	60,000	1,299	61,299	56,706	4,593
Other Objects	2,500	(601)	1,899	398	1,501
Total Child Study Team	1,976,960	50,195	2,027,155	1,984,135	43,020
Improvement of Instruction Services					
Salaries of Other Professional Staff	20,780	(19,688)	1,092	294	798
Total Improvement of Instruction Services	20,780	(19,688)	1,092	294	798
Educational Media Services/School Library					
Salaries	298,573	12,867	311,440	311,440	
Supplies and Materials	28,756	(2,965)	25,791	25,244	547
Total Educational Media Services/School Library	327,329	9,902	337,231	336,684	547
Instructional Staff Training Services					
Salaries	-	1,920	1,920	1,920	-
Total Instructional Staff Training Services	-	1,920	1,920	1,920	-
Support Services General Administration					
Salaries	441,590	-	441,590	435,689	5,901
Salaries of State Monitors	149,500	(39,220)	110,280	63,840	46,440
Repayment of Principal -NJ DOE Loan	416,243	-	416,243	416,243	-
Legal Services	300,000	(29,259)	270,741	270,741	-
Audit Fees	100,000	27,509	127,509	84,309	43,200
Architectural/Engineering Services	50,000	(2,611)	47,389	43,654	3,735
Other Purchased Professional Services	40,000	(20,988)	19,012	19,012	-
Communications/Telephone	45,000	52,220	97,220	97,220	-
BOE Other Purchased Services	3,000	(636)	2,364	350	2,014
Miscellaneous Purchased Services	295,000	71,331	366,331	366,331	-
General Supplies	5,000	6,472	11,472	10,472	1,000
Judgments Against the School District	600,000	(67,655)	532,345	221,803	310,542
Miscellaneous Expenditures	23,000	7,835	30,835	30,604	231
BOE Membership Dues and Fees	32,100	(1,844)	30,256	29,715	541
Total Support Services General Administration	2,500,433	3,154	2,503,587	2,089,983	413,604

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 1,862,802	\$ 366,754	\$ 2,229,556	\$ 2,203,243	\$ 26,313
Salaries of Other Professional Staff	1,596,179	(290,956)	1,305,223	1,286,097	19,126
Salaries of Secretarial and Clerical Assistants	802,009	42,179	844,188	828,342	15,846
Other Purchased Services	40,116	4,731	44,847	18,610	26,237
Supplies and Materials	95,500	12,739	108,239	104,879	3,360
	<u>4,396,606</u>	<u>135,447</u>	<u>4,532,053</u>	<u>4,441,171</u>	<u>90,882</u>
 Central Services					
Salaries	560,194	3,383	563,577	563,577	-
Purchased Technical Services	23,000	14,833	37,833	37,833	-
Miscellaneous Purchased Services	34,560	7,387	41,947	40,896	1,051
Supplies and Materials	9,000	437	9,437	9,417	20
Interest on Lease Purchase Agreements	95,000	(58,165)	36,835	34,481	2,354
Miscellaneous Expenditures	11,000	4,027	15,027	14,145	882
	<u>732,754</u>	<u>(28,098)</u>	<u>704,656</u>	<u>700,349</u>	<u>4,307</u>
 Administration Information Technology					
Salaries	297,114	8,322	305,436	305,034	402
Purchased Technical Services	450,000	130	450,130	441,737	8,393
Other Purchased Services	175,000	12,467	187,467	184,373	3,094
Supplies and Materials	90,000	78,379	168,379	139,211	29,168
	<u>1,012,114</u>	<u>99,298</u>	<u>1,111,412</u>	<u>1,070,355</u>	<u>41,057</u>
 Required Maintenance for School Facilities					
Salaries	613,062	(20,222)	592,840	555,601	37,239
Cleaning, Repair & Maintenance Services	133,760	6,858	140,618	163,032	(22,414)
General Supplies	291,219	22,760	313,979	282,495	31,484
	<u>1,038,041</u>	<u>9,396</u>	<u>1,047,437</u>	<u>1,001,128</u>	<u>46,309</u>
 Custodial Services					
Salaries	2,289,805	(50,577)	2,239,228	2,206,564	32,664
Purchased Professional and Technical Services		8,750	8,750	8,750	-
Cleaning, Repair and Maintenance Services	107,000	49,452	156,452	153,334	3,118
Rent of Land & Buildings Other Than Lease Purchase Agreement	6,780	128,390	135,170	135,170	-
Other Purchased Property Services	29,500	5,868	35,368	24,242	11,126
Insurance	296,279	(28,570)	267,709	267,709	-
Miscellaneous Purchased Services	500	-	500	500	500
General Supplies	50,000	1,878	51,878	43,921	7,957
Energy (Natural Gas)	295,000	(64,772)	230,228	172,675	57,553
Energy (Electricity)	425,000	13,872	438,872	429,515	9,357
Other Objects	2,500	446	2,946	880	2,066
	<u>3,502,364</u>	<u>64,737</u>	<u>3,567,101</u>	<u>3,442,760</u>	<u>124,341</u>
 Care and Upkeep of Grounds					
Salaries	95,910	(83,174)	12,736	12,736	-
Cleaning, Repair and Maintenance Services	15,000	(11,568)	3,432	1,533	1,899
General Supplies	6,000	953	6,953	6,528	425
	<u>116,910</u>	<u>(93,789)</u>	<u>23,121</u>	<u>20,797</u>	<u>2,324</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CURRENT EXPENDITURES (Continued)</b>					
Security					
Salaries	\$ 515,000	\$ 26,319	\$ 541,319	\$ 541,319	-
Purchased Professional and Technical Services	102,000	840	102,840	101,300	\$ 1,540
General Supplies	4,000	(840)	3,160	1,389	1,771
<b>Total Security</b>	<u>621,000</u>	<u>26,319</u>	<u>647,319</u>	<u>644,008</u>	<u>3,311</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	370,603	(1,575)	369,028	368,928	\$ 100
Salaries for Pupil Transportation (Between Home and School) - Regular	147,500	63,545	211,045	211,045	-
Salaries for Pupil Transportation (Between Home and School) - Special	265,000	155,147	420,147	420,147	-
Salaries for Pupil Transportation (Other Than Between Home & School)	135,000	(100,743)	34,257	34,257	-
Management Fee - ESC & CTSA Trans. Prog.	40,000	(40,000)	-	-	-
Cleaning, Repair and Maintenance Services	65,000	(7,953)	57,047	54,727	2,320
Contracted Services - Aid in Lieu Payments - Non-Public Schools	450,000	(174,633)	275,367	257,380	17,987
Contracted Services - Aid in Lieu Payments - Charter Schools		-			-
Contracted Services (Other Than Between Home and School) - Vendors	40,000	22,676	62,676	61,471	1,205
Contracted Services (Bet. Home and School) - Joint Agreements		19,685	19,685	19,685	-
Contracted Services (Spec Ed) - Vendors		290,587	290,587	290,587	-
Contracted Services (Spec Ed) - Joint Agreements	10,000	(3,591)	6,409	2,979	3,430
Contracted Services (Regular Students) - ESCs and CTSA's		189,097	189,097	189,097	-
Contracted Services (Spec Ed) - ESC's & CTSA's	1,300,000	559,755	1,859,755	1,679,888	179,867
Transportation Supplies	77,500	(35,528)	41,972	17,737	24,235
Other Objects	17,500	(16,296)	1,204	1,204	-
<b>Total Student Transportation Services</b>	<u>2,918,103</u>	<u>920,173</u>	<u>3,838,276</u>	<u>3,609,132</u>	<u>229,144</u>
Unallocated Benefits					
Social Security Contributions	800,000	6,854	806,854	806,854	-
Other Retirement Contributions - PERS	775,000	(18,455)	756,545	742,281	14,264
Other Retirement Contributions - Regular	35,000	29,214	64,214	64,214	-
Unemployment Compensation	76,500	(75,208)	1,292		1,292
Workmen's Compensation	500,000	(556)	499,444	495,395	4,049
Health Benefits	10,133,037	(1,058,966)	9,074,071	9,074,071	-
Tuition Reimbursement	80,000	-	80,000	-	80,000
Other Employee Benefits	350,000	(57,343)	292,657	292,102	555
Unused Sick Payment to Terminated/Retired Staff	65,000	43,811	108,811	108,811	-
<b>Total Unallocated Benefits</b>	<u>12,814,537</u>	<u>(1,130,649)</u>	<u>11,683,888</u>	<u>11,583,728</u>	<u>100,160</u>
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				6,264,879	(6,264,879)
Pension -NCGI Premium				112,291	(112,291)
Post Retirement Medical Benefit Contribution				2,365,813	(2,365,813)
Long Term Disability Insurance				4,653	(4,653)
Reimbursed Social Security Contribution	-	-	-	2,448,221	(2,448,221)
<b>Total On-Behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,195,857</u>	<u>(11,195,857)</u>
<b>Total Undistributed Expenditures</b>	<u>40,489,923</u>	<u>389,940</u>	<u>40,879,863</u>	<u>50,643,842</u>	<u>(9,763,979)</u>
Interest Earned on Maintenance Reserve	2,500	-	2,500	-	2,500
<b>Total Expenditures - Current Expenditures</b>	<u>71,324,145</u>	<u>529,660</u>	<u>71,853,805</u>	<u>81,488,276</u>	<u>(9,634,471)</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
School Sponsored Athletics		\$ 2,440	\$ 2,440	\$ 2,440	
Undistributed Expenditures					
Instruction		82,840	82,840	54,244	\$ 28,596
Custodial Services	-	179,517	179,517	106,723	72,794
Total Equipment	-	264,797	264,797	163,407	101,390
Facilities Acquisition and Construction Services					
Architectural / Engineering Services		125,750	125,750	44,966	80,784
Construction Services		538,612	538,612	478,935	59,677
Land and Improvements	\$ 200,000	(200,000)	-	-	
Lease Purchase Agreements - Principal	1,200,000	(374,216)	825,784	751,255	74,529
Assessment for Debt Service on SDA Funding	22,935	-	22,935	22,935	-
Total Facilities Acquisition and Construction Services	1,422,935	90,146	1,513,081	1,298,091	214,990
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Assets Acquired under Capital Leas (Non-Budget)					
Building Improvements - Security System	-	-	-	678,725	(678,725)
Total Capital Outlay	1,427,935	354,943	1,782,878	2,140,223	(357,345)
<b>SUMMER SCHOOL - INSTRUCTION</b>					
Salaries of Teachers	42,500	(30,218)	12,282	12,021	261
Total Summer School - Instruction	42,500	(30,218)	12,282	12,021	261
Transfer of Funds to Charter Schools	531,788	137,244	669,032	669,032	-
Total Expenditures	73,326,368	991,629	74,317,997	84,309,552	(9,991,555)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(720,995)	(910,835)	(1,631,830)	(340,134)	1,291,696
Other Financing Sources/(Uses)					
Capital Lease Purchase Proceeds(Non-Budgeted)				678,725	678,725
Operating Transfer In - Capital Projects Fund	-	-	-	447,298	447,298
Total Other Financing Sources/(Uses)	-	-	-	1,126,023	1,126,023
Net Change in Fund Balance	(720,995)	(910,835)	(1,631,830)	785,889	2,417,719
Fund Balances, Beginning of Year	6,240,184	-	6,240,184	6,240,184	-
Fund Balances, End of Year	5,519,189	\$ (910,835)	4,608,354	7,026,073	\$ 2,417,719
<b>Recapitulation</b>					
<b>Restricted</b>					
Capital Reserve				3,908,680	
Maintenance Reserve				833,315	
<b>Assigned</b>					
Year End Encumbrances				275,813	
Designated for Subsequent Year's Expenditures				720,995	
<b>Unassigned</b>					
				1,287,270	
Fund Balance Per State Budgetary Basis of Accounting				7,026,073	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less State Aid Revenue Not Recognized on GAAP Basis				(3,723,038)	
Fund Balance Per Governmental Funds (GAAP)				3,303,035	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 1,050,039	\$ 1,050,039	\$ 1,023,858	\$ (26,181)
Federal	2,595,617	161,915	2,757,532	2,589,934	(167,598)
Local Sources					
Miscellaneous	-	113,893	113,893	52,111	(61,782)
Total Revenues	<u>2,595,617</u>	<u>1,325,847</u>	<u>3,921,464</u>	<u>3,665,903</u>	<u>(255,561)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	15,686	585,110	600,796	551,663	49,133
Other Salaries for Instruction		143,681	143,681	143,681	
Purchased Professional / Technical Services		113,706	113,706	86,205	27,501
Other Purchased Services	1,074,340	67,275	1,141,615	1,139,649	1,966
General Supplies	1,331,602	(270,610)	1,060,992	979,935	81,057
Textbooks	-	6,747	6,747	6,669	78
Other Objects	-	10,209	10,209	10,209	-
Total Instruction	<u>2,421,628</u>	<u>656,118</u>	<u>3,077,746</u>	<u>2,918,011</u>	<u>159,735</u>
Support Services - Instruction					
Salaries		9,197	9,197	7,224	1,973
Salaries of Supervisors of Instruction		54,325	54,325	54,325	-
Salaries of Other Professional Staff		960	960	960	-
Other Salaries		56,347	56,347	56,346	1
Personnel Services - Employee Benefits		164,108	164,108	163,190	918
Purchased Professional / Educational Services		13,730	13,730	12,240	1,490
Purchased Professional / Technical Services	65,547	39,435	104,982	76,359	28,623
Other Purchased Services	70,000	75,880	145,880	111,731	34,149
Supplies and Materials	38,442	118,837	157,279	139,727	17,552
Program Administration	-	52,000	52,000	52,000	-
Total Support Services	<u>173,989</u>	<u>584,819</u>	<u>758,808</u>	<u>674,102</u>	<u>84,706</u>
Capital Outlay					
Facilities Acquisition and Construction Services		-	-	-	-
Instructional Equipment		80,485	80,485	73,790	6,695
Non-Instructional Equipment	-	4,425	4,425	-	4,425
Total Capital Outlay	<u>-</u>	<u>84,910</u>	<u>84,910</u>	<u>73,790</u>	<u>11,120</u>
Total Expenditures	<u>2,595,617</u>	<u>1,325,847</u>	<u>3,921,464</u>	<u>3,665,903</u>	<u>255,561</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
Less: State Aid Revenue Not Recognized on GAAP Basis				(87,858)	
Fund Balance (Deficit) per Governmental Funds (GAAP)				<u>\$ (87,858)</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 83,969,418	\$ 3,665,903
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2019-2020)	(3,723,038)	(87,858)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2018-2019)	3,278,840	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020		(46,761)
Encumbrances , June 30, 2019	-	3,507
	<u>                    </u>	<u>                    </u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 83,525,220</u>	<u>\$ 3,534,791</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 84,309,552	\$ 3,665,903
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances , June 30, 2020		(46,761)
Encumbrances , June 30, 2019	-	3,507
	<u>                    </u>	<u>                    </u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 84,309,552</u>	<u>\$ 3,622,649</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Seven Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06806%	0.07187%	0.07397%	.07154%	.08363%	.08023%	.07642%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 12,262,929	\$ 14,151,512	\$ 17,219,108	\$ 21,188,458	\$ 18,772,248	\$ 15,022,124	\$ 14,606,291
District's Covered Payroll	\$ 4,897,993	\$ 4,764,655	\$ 4,860,151	\$ 5,027,264	\$ 4,680,094	\$ 5,498,805	\$ 5,051,790
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	250.37%	297.01%	354.29%	421.47%	401.11%	273.19%	289.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 662,003	\$ 714,908	\$ 685,256	\$ 635,562	\$ 718,955	\$ 661,443	\$ 573,845
Contributions in Relation to the Contractually Required Contribution	<u>662,003</u>	<u>714,908</u>	<u>685,256</u>	<u>635,562</u>	<u>718,955</u>	<u>661,443</u>	<u>573,845</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 5,233,105	\$ 4,897,993	\$ 4,764,655	\$ 4,860,151	\$ 5,027,264	\$ 4,680,094	\$ 5,498,805
Contributions as a Percentage of Covered Payroll	12.65%	14.60%	14.38%	13.08%	14.30%	14.13%	10.44%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Seven Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>179,091,407</u>	<u>178,690,692</u>	<u>192,551,563</u>	<u>234,722,770</u>	<u>186,927,127</u>	<u>154,793,607</u>	<u>150,597,225</u>
<b>Total</b>	<b><u>\$ 179,091,407</u></b>	<b><u>\$ 178,690,692</u></b>	<b><u>\$ 192,551,563</u></b>	<b><u>\$ 234,722,770</u></b>	<b><u>\$ 186,927,127</u></b>	<b><u>\$ 154,793,607</u></b>	<b><u>\$ 150,597,225</u></b>
District's Covered Payroll	31,804,124	30,352,173	29,711,584	28,765,071	28,475,277	29,722,849	28,462,899
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and  
statutorily required employer contribution are presented in Note 4D.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 4,266,489	\$ 4,792,430	\$ 5,707,408
Interest on Total OPEB Liability	4,960,852	5,401,596	4,696,710
Differences Between Expected and Actual Experience	(20,720,186)	(14,658,853)	
Changes of Assumptions	1,676,103	(14,410,849)	(19,512,888)
Gross Benefit Payments	(3,450,776)	(3,357,945)	(3,138,421)
Contribution from the Member	<u>102,291</u>	<u>116,056</u>	<u>115,565</u>
<b>Net Change in Total OPEB Liability</b>	(13,165,227)	(22,117,565)	(12,131,626)
<b>Total OPEB Liability - Beginning</b>	<u>125,579,264</u>	<u>147,696,829</u>	<u>159,828,455</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 112,414,037</u>	<u>\$ 125,579,264</u>	<u>\$ 147,696,829</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>112,414,037</u>	<u>125,579,264</u>	<u>147,696,829</u>
Total OPEB Liability - Ending	<u>\$ 112,414,037</u>	<u>\$ 125,579,264</u>	<u>\$ 147,696,829</u>
District's Covered Payroll	<u>\$ 36,702,117</u>	<u>\$ 35,116,828</u>	<u>\$ 34,571,735</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SCHOOL LEVELS SCHEDULES**

**GENERAL FUND**

**NOT APPLICABLE**



**SPECIAL REVENUE FUND**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>IDEA</u>										<u>Total 2020</u>
	<u>Title I</u>	<u>Title I Re-Allocated</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>Carl D. Perkins</u>	<u>Basic</u>	<u>Preschool</u>	<u>(Exhibit E-1a)</u>	
<b>REVENUES</b>											
Intergovernmental											
State										\$ 1,023,858	\$ 1,023,858
Federal	\$ 1,021,784	\$ 79,221	\$ 182,843	\$ 37,725	\$ 26,327	\$ 63,919	\$ 49,074	\$ 1,102,988	\$ 26,053		2,589,934
Other Sources	-	-	-	-	-	-	-	-	-	52,111	52,111
<b>Total Revenues</b>	<u>\$ 1,021,784</u>	<u>\$ 79,221</u>	<u>\$ 182,843</u>	<u>\$ 37,725</u>	<u>\$ 26,327</u>	<u>\$ 63,919</u>	<u>\$ 49,074</u>	<u>\$ 1,102,988</u>	<u>\$ 26,053</u>	<u>\$ 1,075,969</u>	<u>3,665,903</u>
<b>EXPENDITURES</b>											
Instruction											
Salaries	\$ 151,873	\$ 26,495	\$ 34,230	\$ 4,484						\$ 334,581	551,663
Other Salaries for Instruction										143,681	143,681
Purchased Professional / Technical Services	8,989									77,216	86,205
Other Purchased Services			11,284					\$ 1,090,823	\$ 26,053	11,489	1,139,649
General Supplies	667,790	39,227		29,351	\$ 8,496	\$ 30,794	\$ 39,344			164,933	979,935
Textbooks										6,669	6,669
Other Objects	-	10,209	-	-	-	-	-	-	-	-	10,209
<b>Total Instruction</b>	<u>828,652</u>	<u>75,931</u>	<u>45,514</u>	<u>33,835</u>	<u>8,496</u>	<u>30,794</u>	<u>39,344</u>	<u>1,090,823</u>	<u>26,053</u>	<u>738,569</u>	<u>2,918,011</u>
Support Services											
Salaries						5,544				1,680	7,224
Salaries of Supervisors of Instruction										54,325	54,325
Salaries of Other Professional Staff										960	960
Other Salaries										56,346	56,346
Personnel Services - Employee Benefits	18,715	3,290	3,136	765		575				136,709	163,190
Purchased Professional / Educational Services										12,240	12,240
Purchased Professional / Technical Services			56,910	1,500				7,689		10,260	76,359
Other Purchased Services	15,000		52,566	1,625						42,540	111,731
Supplies and Materials	67,967		20,267		17,831	12,077	3,601			17,984	139,727
Program Administration	52,000	-	-	-	-	-	-	-	-	-	52,000
<b>Total Support Services</b>	<u>153,682</u>	<u>3,290</u>	<u>132,879</u>	<u>3,890</u>	<u>17,831</u>	<u>18,196</u>	<u>3,601</u>	<u>7,689</u>	<u>-</u>	<u>333,044</u>	<u>674,102</u>
Capital Outlay											
Instructional Equipment	39,450		4,450			14,929	6,129	4,476	-	4,356	73,790
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<u>39,450</u>	<u>-</u>	<u>4,450</u>	<u>-</u>	<u>-</u>	<u>14,929</u>	<u>6,129</u>	<u>4,476</u>	<u>-</u>	<u>4,356</u>	<u>73,790</u>
<b>Total Expenditures</b>	<u>\$ 1,021,784</u>	<u>\$ 79,221</u>	<u>\$ 182,843</u>	<u>\$ 37,725</u>	<u>\$ 26,327</u>	<u>\$ 63,919</u>	<u>\$ 49,074</u>	<u>\$ 1,102,988</u>	<u>\$ 26,053</u>	<u>\$ 1,075,969</u>	<u>\$ 3,665,903</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Local Grants	Advanced Computer Science	Preschool Education Aid	Nonpublic Security	Nonpublic Technology	Nonpublic Nursing	Nonpublic Textbook	Chapter 192 Se Compensatory Education	Chapter 193 Services Corrective Speech	Supplemental Instruction	Total Exhibit E-1a
<b>REVENUES</b>											
Intergovernmental											
State		\$ 14,669	\$ 892,452	\$ 17,984	\$ 4,608	\$ 10,260	\$ 6,669	\$ 52,241	\$ 14,856	\$ 10,119	\$ 1,023,858
Other Sources	\$ 52,111	-	-	-	-	-	-	-	-	-	52,111
<b>Total Revenues</b>	<b>\$ 52,111</b>	<b>\$ 14,669</b>	<b>\$ 892,452</b>	<b>\$ 17,984</b>	<b>\$ 4,608</b>	<b>\$ 10,260</b>	<b>\$ 6,669</b>	<b>\$ 52,241</b>	<b>\$ 14,856</b>	<b>\$ 10,119</b>	<b>\$ 1,075,969</b>
<b>EXPENDITURES</b>											
Instruction											
Salaries	\$ 2,009		\$ 332,572								334,581
Other Salaries for Instruction			143,681								143,681
Purchased Professional / Technical Services								\$ 52,241	\$ 14,856	\$ 10,119	77,216
Other Purchased Services	1,761	\$ 9,728									11,489
General Supplies	5,801	3,133	155,747		\$ 252						164,933
Textbooks	-	-	-	-	-	-	\$ 6,669	-	-	-	6,669
<b>Total Instruction</b>	<b>9,571</b>	<b>12,861</b>	<b>632,000</b>	<b>-</b>	<b>252</b>	<b>-</b>	<b>6,669</b>	<b>52,241</b>	<b>14,856</b>	<b>10,119</b>	<b>738,569</b>
Support Services											
Salaries		1,680									1,680
Salaries of Supervisors of Instruction			54,325								54,325
Salaries of Other Professional Staff			960								960
Other Salaries			56,346								56,346
Personnel Services - Employee Benefits		128	136,581								136,709
Purchased Professional / Educational Services			12,240								12,240
Purchased Professional / Technical Services						\$ 10,260					10,260
Other Purchased Services	42,540										42,540
Supplies and Materials				\$ 17,984							17,984
Program Administration	-	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>42,540</b>	<b>1,808</b>	<b>260,452</b>	<b>17,984</b>	<b>-</b>	<b>10,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,044</b>
Capital Outlay											
Instructional Equipment	-	-	-	-	4,356	-	-	-	-	-	4,356
Non - Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,356</b>
<b>Total Expenditures</b>	<b>\$ 52,111</b>	<b>\$ 14,669</b>	<b>\$ 892,452</b>	<b>\$ 17,984</b>	<b>\$ 4,608</b>	<b>\$ 10,260</b>	<b>\$ 6,669</b>	<b>\$ 52,241</b>	<b>\$ 14,856</b>	<b>\$ 10,119</b>	<b>\$ 1,075,969</b>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
PRESCHOOL - ALL PROGRAMS  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	\$ -	\$ 332,572	\$ 332,572	\$ 332,572	\$ -
Other Salaries for Instruction		143,681	143,681	143,681	
Other Purchased Services	-	155,747	155,747	155,747	-
Total Instruction	-	632,000	632,000	632,000	-
Support Services					
Salaries of Supervisors of Instruction		54,325	54,325	54,325	
Salaries of Other Professional Staff		960	960	960	
Other Salaries		56,346	56,346	56,346	
Personnel Services - Employee Benefits		136,581	136,581	136,581	
Purchased Professional/Educational Services	-	12,240	12,240	12,240	-
Total Support Services	-	260,452	260,452	260,452	-
Total Expenditures	\$ -	\$ 892,452	\$ 892,452	\$ 892,452	\$ -

**Calculation of Budget Carryover**

Total revised 2019-2020 Preschool Education Aid Allocation	\$ 892,452
Actual Preschool Education Aid Carryover (June 30, 2019)	-
Total Preschool Ed. Aid Funds Available for 2019-2020 Budget	892,452
Less: 2019-2020 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	892,452
Available & Unbudgeted Preschool Education Aid Funds as of 'June 30, 2020	-
Add: June 30, 2020 Unexpended Preschool Education Aid	-
2019-2020 C/O - Preschool Education Aid Programs	\$ -
2019-20 Preschool Education Aid C/O Budgeted in 2020-2021	\$ -

**CAPITAL PROJECTS FUND**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Unexpended Project Balance June 30, 2020</u>
Partial Roof Replacement at School Number 7 and Belleville High School and Related Masonry and Electrical Upgrades	\$ 1,026,316	\$ 1,011,064	\$ 12,600	\$ 2,652
Boiler Replacement at School Number 8 and the Middle School and District Security Upgrades	2,199,041	2,193,775	-	5,266
2017 Referendum - District Wide Facilities Renovations, Upgrades and Improvements	48,536,601	14,115,855	18,698,597	15,722,149
Turf Field at Clearman School, Fire Doors and Acquisition of Acoustic Equipment at Belleville High School Auditorium	<u>3,500,000</u>	<u>-</u>	<u>226,650</u>	<u>3,273,350</u>
	<u>\$ 55,261,958</u>	<u>\$ 17,320,694</u>	<u>\$ 18,937,847</u>	<u>\$ 19,003,417</u>
<b><u>Reconciliation to GAAP Basis</u></b>				
				\$ 19,003,417
				<u>(601)</u>
				<u>\$ 19,002,816</u>
<b><u>Reconciliation to Fund Balance</u></b>				
				\$ 12,070,930
				<u>6,931,886</u>
				<u>\$ 19,002,816</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Revenues and Other Financing Sources**

Revenues	
Interest and Dividends on Investments	\$ 447,298
Other Financing Sources	
Capital Lease Proceeds	3,226,000
Premium on Lease Proceeds	<u>274,000</u>
Total Revenues and Other Financing Sources	<u>3,947,298</u>

**Expenditures and Other Financing Uses**

Expenditures	
Salaries	
Architectural/Engineering Services	124,403
Purchased Professional/Technical Services	913,159
Supplies and Materials	1,235
Construction Services	17,736,044
Equipment	163,006
Other Financing Uses	
Transfers Out - General Fund	<u>447,298</u>
Total Expenditures and Other Financing Uses	<u>19,385,145</u>

Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(15,437,847)

Fund Balance- Beginning	<u>34,440,663</u>
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Fund Balance- Ending	<u>\$ 19,002,816</u>
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**Reconciliation to GAAP**

Fund Balance, End of Year - Budgetary Basis	<u>\$ 19,002,816</u>
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Fund Balance, June 30, 2020- GAAP	<u>\$ 19,002,816</u>
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**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
PARTIAL ROOF REPLACEMENT AND RELATED MASONRY REPAIRS AT SCHOOL NUMBER 7 AND PARTIAL  
ROOF REPLACEMENT AT BELLEVILLE HIGH SCHOOL AND ELECTRIC SERVICE UPGRADE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Lease Proceeds	\$ 1,025,000		\$ 1,025,000	\$ 1,025,000
Interest Earnings	<u>1,316</u>	<u>-</u>	<u>1,316</u>	<u>1,316</u>
Total Revenues and Other Financing Sources	<u>1,026,316</u>	<u>-</u>	<u>1,026,316</u>	<u>1,026,316</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional/Technical Services	32,964		32,964	32,964
Construction Services	976,600	12,600	989,200	991,852
Other Objects	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Total Expenditures and Other Financing Uses	<u>1,011,064</u>	<u>12,600</u>	<u>1,023,664</u>	<u>1,026,316</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 15,252</u>	<u>\$ (12,600)</u>	<u>\$ 2,652</u>	<u>\$ -</u>



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
BOILER REPLACEMENT AT SCHOOL NUMBER EIGHT AND  
THE MIDDLE SCHOOL AND DISTRICT SECURITY UPGRADE  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Lease Proceeds	\$ 2,193,829		\$ 2,193,829	\$ 2,193,829
Interest Earnings	<u>5,212</u>	<u>-</u>	<u>5,212</u>	<u>5,212</u>
Total Revenues and Other Financing Sources	<u>2,199,041</u>	<u>-</u>	<u>2,199,041</u>	<u>2,199,041</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional/Technical Services	135,037		135,037	135,037
Rentals	319,685		319,685	319,685
Construction Services	1,695,226		1,695,226	1,700,492
Other Objects - Interest	<u>43,827</u>	<u>-</u>	<u>43,827</u>	<u>43,827</u>
Total Expenditures and Other Financing Uses	<u>2,193,775</u>	<u>-</u>	<u>2,193,775</u>	<u>2,199,041</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,266</u>	<u>\$ -</u>	<u>\$ 5,266</u>	<u>\$ -</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
BUDGETARY BASIS  
2017 REFEREDUM - DISTRICT WIDE FACILITIES, RENOVATIONS, UPGRADEAS, AND IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 48,536,000	-	\$ 48,536,000	\$ 48,536,601
Total Revenues and Other Financing Sources	<u>48,536,000</u>	<u>-</u>	<u>48,536,000</u>	<u>48,536,601</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Salaries	7,799		7,799	20,000
Legal Services	83,592		83,592	83,592
Architectural/Engineering Services	1,896,308	124,403	2,020,711	3,464,265
Other Purchased Professional and Technical Services	18,740	913,159	931,899	18,740
Supplies and Materials	4,942	1,235	6,177	4,942
Construction Services	12,074,474	17,659,800	29,734,274	44,915,062
Other Objects	30,000	-	30,000	30,000
Total Expenditures and Other Financing Uses	<u>14,115,855</u>	<u>18,698,597</u>	<u>32,814,452</u>	<u>48,536,601</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 34,420,145</u>	<u>\$ (18,698,597)</u>	<u>\$ 15,721,548</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	11/7/2017
Bonds Authorized	\$ 48,536,601
Bonds Issued	\$ 48,536,000
Original Authorized Cost	\$ 48,536,601
Additional Authorized Cost	-
Revised Authorized Cost	<u>48,536,601</u>

Percentage Increase Over Original Authorized Cost	-
Percentage Completion	67.61%
Original Target Completion Date	August 30, 2020
Revised Target Completion Date	August 30, 2020

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS**  
**BUDGETARY BASIS**  
**TURF FIELD AT CLEARMAN SCHOOL, FIRE DOORS AND INSTALLATION OF SOUND SYSTEM AT HS AUDITORIUM**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Capital Lease Proceeds		\$ 3,226,000	\$ 3,226,000	\$ 3,226,000
Lease Premium	\$ -	274,000	274,000	274,000
Total Revenues and Other Financing Sources	<u>-</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Salaries			-	
Legal Services			-	
Architectural/Engineering Services		48,938	48,938	350,000
Other Purchased Professional and Technical Services			-	
Supplies and Materials			-	
Construction Services		63,644	63,644	2,985,000
Equipment	-	114,068	114,068	165,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>226,650</u>	<u>226,650</u>	<u>3,500,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 3,273,350</u>	<u>\$ 3,273,350</u>	<u>\$ -</u>

**PROPRIETARY FUNDS**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

**NOT APPLICABLE**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**AGENCY FUNDS**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Agency</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 139,402	\$ 1,090,325	\$ 1,229,727
Total Assets	<u>\$ 139,402</u>	<u>\$ 1,090,325</u>	<u>\$ 1,229,727</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ 139,402		\$ 139,402
Accrued Salaries and Wages		\$ 4,230	4,230
Payroll Deductions and Withholdings		440,588	440,588
Employee Deposits Payable		608,399	608,399
Due to Other Funds	<u>-</u>	<u>37,108</u>	<u>37,108</u>
Total Liabilities	<u>\$ 139,402</u>	<u>\$ 1,090,325</u>	<u>\$ 1,229,727</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**FINANCIAL STATEMENTS ARE PRESENTED  
ON EXHIBIT B-8**

**AGENCY FUNDS  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>Elementary Schools:</b>				
Summer Program	\$ 7,580	\$ 363	\$ 7,069	\$ 874
<b>Middle School</b>	31,690	16,567	24,603	23,654
<b>Senior High School</b>	<u>129,317</u>	<u>96,138</u>	<u>110,581</u>	<u>114,874</u>
Total All Schools	<u>\$ 168,587</u>	<u>\$ 113,068</u>	<u>\$ 142,253</u>	<u>\$ 139,402</u>



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
AGENCY FUNDS  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 738,096	\$ 49,173,862	\$ 48,821,633	\$ 1,090,325
Total Assets	<u>\$ 738,096</u>	<u>\$ 49,173,862</u>	<u>\$ 48,821,633</u>	<u>\$ 1,090,325</u>
<b>LIABILITIES</b>				
Accrued Salaries and Wages	\$ 2,892	\$ 28,525,279	\$ 28,523,941	\$ 4,230
Payroll Deductions and Withholdings	407,321	20,007,947	19,974,680	440,588
Employee Deposits Payable	274,137	613,527	279,265	608,399
Due to Other Funds	<u>53,746</u>	<u>27,109</u>	<u>43,747</u>	<u>37,108</u>
Total Liabilities	<u>\$ 738,096</u>	<u>\$ 49,173,862</u>	<u>\$ 48,821,633</u>	<u>\$ 1,090,325</u>

**LONG-TERM DEBT**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
2018 School Bonds	3/22/2018	\$ 48,536,000	9/1/2020	1,370,000	3.00%				
			9/1/2021	1,405,000	3.00%				
			9/1/2022	1,450,000	3.00%				
			9/1/2023	1,495,000	3.00%				
			9/1/2024	1,540,000	3.00%				
			9/1/2025	1,585,000	3.00%				
			9/1/2026	1,635,000	3.00%				
			9/1/2027	1,685,000	3.00%				
			9/1/2028	1,735,000	3.00%				
			9/1/2029	1,795,000	3.00%				
			9/1/2030	1,850,000	3.13%				
			9/1/2031	1,915,000	3.25%				
			9/1/2032	1,990,000	3.25%				
			9/1/2033	2,065,000	3.50%				
			9/1/2034	2,150,000	4.00%				
			9/1/2035	2,235,000	4.00%				
			9/1/2036	2,325,000	4.00%				
			9/1/2037	2,420,000	4.00%				
			9/1/2038	2,520,000	4.00%				
			9/1/2039	2,625,000	4.00%				
			9/1/2040-42	2,740,000	4.00%	\$ 48,536,000	\$ -	2,526,000	\$ 46,010,000
						<u>\$ 48,536,000</u>	<u>\$ -</u>	<u>\$ 2,526,000</u>	<u>\$ 46,010,000</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE-PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
<u>CAPITAL LEASES</u>						
5 School Buses Refinanced	\$ 181,151	2.85%	\$ 90,753		\$ 44,740	\$ 46,013
Boiler Replacement at School No. 8 and the Middle School and District Security Upgrades	2,193,829	2.82%	1,252,833		490,634	762,199
Turf Field at Clearman School, Fire Doors and Acquisition of Acoustic Equipment at Belleville High School Auditorium	3,226,000	4.0%-5.0%		\$ 3,226,000		3,226,000
Security Cameras Project	678,725	5.08%	-	678,725	149,523	529,202
<u>LEASE-PURCHASE AGREEMENTS</u>						
Chromebooks	847,246	3.10%	<u>582,261</u>	<u>-</u>	<u>286,613</u>	<u>295,648</u>
			<u>\$ 1,925,847</u>	<u>\$ 3,904,725</u>	<u>\$ 971,510</u>	<u>\$ 4,859,062</u>
				Paid by Budget Appropriation	<u>\$ 971,510</u>	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Property Tax Levy	\$ 1,892,376	-	\$ 1,892,376	\$ 1,892,376	-
State Sources					
Debt Service Aid	<u>2,299,164</u>	<u>-</u>	<u>2,299,164</u>	<u>2,299,164</u>	<u>-</u>
Total Revenues	<u>4,191,540</u>	<u>-</u>	<u>4,191,540</u>	<u>4,191,540</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal	2,526,000		2,526,000	2,526,000	
Interest	<u>1,665,540</u>	<u>-</u>	<u>1,665,540</u>	<u>1,665,540</u>	<u>-</u>
Total Expenditures	<u>4,191,540</u>	<u>-</u>	<u>4,191,540</u>	<u>4,191,540</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Belleville Township School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 5,960,277	\$ 5,476,606	\$ 5,505,798	\$ 5,513,725	\$ 5,984,419	\$ 6,536,372	\$ 7,066,551	\$ 8,129,551	\$ 8,275,755	\$ 10,217,537
Restricted	90,310	90,310				676,149	1,694,143	2,629,937	3,873,834	4,744,647
Unrestricted	(3,404,453)	(2,179,112)	(2,667,763)	(24,352,115)	(23,203,444)	(22,069,596)	(22,621,063)	(22,860,737)	(23,103,817)	(22,986,005)
<b>Total governmental activities net position</b>	<u>\$ 2,646,134</u>	<u>\$ 3,387,804</u>	<u>\$ 2,838,035</u>	<u>\$ (18,838,390)</u>	<u>\$ (17,219,025)</u>	<u>\$ (14,857,075)</u>	<u>\$ (13,860,369)</u>	<u>\$ (12,101,249)</u>	<u>\$ (10,954,228)</u>	<u>\$ (8,023,821)</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 158,249	\$ 139,998	\$ 107,347	\$ 79,214	\$ 203,689	\$ 144,244	\$ 101,892	\$ 60,758	\$ 42,503	\$ 34,198
Restricted	310,712	413,791								
Unrestricted			261,874	170,029	202,415	168,548	116,456	159,570	315,324	586,716
<b>Total business-type activities net position</b>	<u>\$ 468,961</u>	<u>\$ 553,789</u>	<u>\$ 369,221</u>	<u>\$ 249,243</u>	<u>\$ 406,104</u>	<u>\$ 312,792</u>	<u>\$ 218,348</u>	<u>\$ 220,328</u>	<u>\$ 357,827</u>	<u>\$ 620,914</u>
<b>District-wide</b>										
Net Investment in Capital Assets	\$ 6,118,526	\$ 5,616,604	\$ 5,613,145	\$ 5,592,939	\$ 6,188,108	\$ 6,680,616	\$ 7,168,443	\$ 8,190,309	\$ 8,318,258	\$ 10,251,735
Restricted	401,022	504,101	-	-	-	676,149	1,694,143	2,629,937	3,873,834	4,744,647
Unrestricted	(3,404,453)	(2,179,112)	(2,405,889)	(24,182,086)	(23,001,029)	(21,901,048)	(22,504,607)	(22,701,167)	(22,788,493)	(22,399,289)
<b>Total district net position</b>	<u>\$ 3,115,095</u>	<u>\$ 3,941,593</u>	<u>\$ 3,207,256</u>	<u>\$ (18,589,147)</u>	<u>\$ (16,812,921)</u>	<u>\$ (14,544,283)</u>	<u>\$ (13,642,021)</u>	<u>\$ (11,880,921)</u>	<u>\$ (10,596,401)</u>	<u>\$ (7,402,907)</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB No. 68, "Accounting and Financial Reporting for Pensions".

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 26,803,278	\$ 26,803,278	\$ 28,096,259	\$ 29,359,361	\$ 31,848,519	\$ 33,204,564	\$ 37,115,854	\$ 38,611,186	\$ 37,635,718	\$ 37,537,094
Special Education	6,475,254	6,475,254	11,247,415	14,259,892	14,795,513	14,015,994	15,165,972	16,017,452	15,712,840	14,581,653
Other Education	3,428,171	3,428,171	3,490,781	2,696,274	2,992,762	3,711,081	4,457,171	3,869,094	3,476,881	3,543,388
School Sponsored Activities and Athletics	752,773	752,773	858,266	901,700	939,711	942,304	1,125,987	1,378,097	1,270,129	1,298,940
Community Services		854								
Support Services:										
Tuition	2,808,929	4,056,220	-							
Student & Instruction Related Services	8,703,081	8,046,007	8,466,757	8,242,412	9,153,952	9,317,872	10,249,971	10,418,561	10,190,037	10,575,755
General Administrative Services	2,264,597	2,385,665	2,300,841	1,739,238	2,142,876	2,737,192	2,305,809	2,342,139	2,124,309	2,000,525
School Administrative Services	3,911,559	4,301,275	4,612,201	5,404,032	4,435,456	6,331,181	7,664,156	7,356,090	6,638,604	7,012,283
Central Administrative Services				1,314,961	1,652,492	1,687,127	1,813,496	1,788,962	2,023,229	2,128,628
Plant Operations and Maintenance	5,473,863	5,526,539	6,035,508	7,725,157	5,635,419	6,350,149	6,853,846	7,766,723	7,565,970	8,221,959
Pupil Transportation	2,443,239	2,650,853	2,798,546	3,364,058	3,527,897	3,048,329	2,946,159	3,052,265	3,761,757	4,057,620
Special Schools										
Charter Schools	13,881	76,130								
Unallocated Depreciation	411,836	394,881	640,723							
Interest on Long Term Debt				79,305	88,069	108,879	115,860	554,394	1,795,797	1,740,526
<b>Total Governmental Activities Expenses</b>	<b>63,490,461</b>	<b>64,897,900</b>	<b>68,547,297</b>	<b>75,086,390</b>	<b>77,212,666</b>	<b>81,454,672</b>	<b>89,814,281</b>	<b>93,154,963</b>	<b>92,195,271</b>	<b>92,698,371</b>
<b>Business-Type Activities:</b>										
Food service	1,850,369	2,053,616	2,069,270	2,128,248	2,114,192	2,115,354	2,174,321	1,907,017	2,467,193	2,145,825
<b>Total Business-Type Activities Expense</b>	<b>1,850,369</b>	<b>2,053,616</b>	<b>2,069,270</b>	<b>2,128,248</b>	<b>2,114,192</b>	<b>2,115,354</b>	<b>2,174,321</b>	<b>1,907,017</b>	<b>2,467,193</b>	<b>2,145,825</b>
<b>Total District Expenses</b>	<b>\$ 65,340,830</b>	<b>\$ 66,951,516</b>	<b>\$ 70,616,567</b>	<b>\$ 77,214,638</b>	<b>\$ 79,326,858</b>	<b>\$ 83,570,026</b>	<b>\$ 91,988,602</b>	<b>\$ 95,061,980</b>	<b>\$ 94,662,464</b>	<b>\$ 94,844,196</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services				35,448	151,999	230,509	181,435	181,187	141,378	40,644
Operating Grants and Contributions	6,068,699	5,492,802	8,800,769	11,453,747	19,446,982	23,332,011	29,122,236	30,712,757	26,571,885	25,298,745
Capital Grants and Contributions	-	-	-	5,657	8,697	87,646	154,984	107,711	40,348	64,958
<b>Total Governmental Activities Program Revenues</b>	<b>6,068,699</b>	<b>5,492,802</b>	<b>8,800,769</b>	<b>11,494,852</b>	<b>19,607,678</b>	<b>23,650,166</b>	<b>29,458,655</b>	<b>31,001,655</b>	<b>26,753,611</b>	<b>25,404,347</b>



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	\$ 657,873	\$ 655,259	\$ 613,357	\$ 706,289	\$ 673,996	\$ 666,206	\$ 650,743	\$ 643,355	\$ 735,937	\$ 454,073
Operating Grants and Contributions	1,022,207	1,206,613	1,271,126	1,301,807	1,337,727	1,355,359	1,428,598	1,263,351	1,863,753	1,951,230
Total Business Type Activities Program Revenues	1,680,080	1,861,872	1,884,483	2,008,096	2,011,723	2,021,565	2,079,341	1,906,706	2,599,690	2,405,303
Total District Program Revenues	\$ 7,748,779	\$ 7,354,674	\$ 10,685,252	\$ 13,502,948	\$ 21,619,401	\$ 25,671,731	\$ 31,537,996	\$ 32,908,361	\$ 29,353,301	\$ 27,809,650
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (57,421,762)	\$ (59,405,098)	\$ (59,746,528)	\$ (63,591,538)	\$ (57,604,988)	\$ (57,804,506)	\$ (60,355,626)	\$ (62,153,308)	\$ (65,441,660)	\$ (67,294,024)
Business-Type Activities	(170,289)	(191,744)	(184,787)	(120,152)	(102,469)	(93,789)	(94,980)	(311)	132,497	259,478
Total District-Wide Net Expense	\$ (57,592,051)	\$ (59,596,842)	\$ (59,931,315)	\$ (63,711,690)	\$ (57,707,457)	\$ (57,898,295)	\$ (60,450,606)	\$ (62,153,619)	\$ (65,309,163)	\$ (67,034,546)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	32,959,663	32,959,663	32,959,663	34,177,243	36,249,715	37,665,506	38,667,832	39,764,229	40,082,343	40,954,080
Debt Service Levy									1,604,063	1,892,376
Unrestricted Grants and Contributions	25,587,305	27,269,440	26,074,345	22,253,116	22,982,748	22,214,027	22,523,414	23,411,569	22,973,588	25,179,331
Restricted Grants and Contributions	439,295		69,485							1,385,574
Tuition Received	61,355	26,699								
Investment Earnings	8,586	4,900								
Miscellaneous Income	175,589	171,780	93,266	91,045	113,690	286,923	161,086	736,630	1,928,687	813,070
Capital Assets Retired Net of Accumulated Depreciation	(56,000)	(9,329)								
Transfers	(269,014)	(276,383)			(105,000)					
Total Governmental Activities	58,906,779	60,146,770	59,196,759	56,521,404	59,241,153	60,166,456	61,352,332	63,912,428	66,588,681	70,224,431
Business-Type Activities:										
Investment Earnings	326	189	219	174	176	477	536	2,291	5,002	3,609
Transfers	269,014	276,383			105,000					
Total Business-Type Activities	269,340	276,572	219	174	105,176	477	536	2,291	5,002	3,609
Total District-Wide	\$ 59,176,119	\$ 60,423,342	\$ 59,196,978	\$ 56,521,578	\$ 59,346,329	\$ 60,166,933	\$ 61,352,868	\$ 63,914,719	\$ 66,593,683	\$ 70,228,040
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,485,017	\$ 741,672	\$ (549,769)	\$ (7,070,134)	\$ 1,636,165	\$ 2,361,950	\$ 996,706	\$ 1,759,120	\$ 1,147,021	\$ 2,930,407
Business-Type Activities	99,051	84,828	(184,568)	(119,978)	2,707	(93,312)	(94,444)	1,980	137,499	263,087
Total District	\$ 1,584,068	\$ 826,500	\$ (734,337)	\$ (7,190,112)	\$ 1,638,872	\$ 2,268,638	\$ 902,262	\$ 1,761,100	\$ 1,284,520	\$ 3,193,494

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted						\$ 676,149	\$ 1,579,805	\$ 2,614,685	\$ 3,858,582	\$ 4,741,995
Committed									159,300	-
Assigned	\$ 1,066,348	\$ 1,783,404	\$ 411,044	\$ 584,066	\$ 551,059	966,275	893,042	1,407,696	1,064,075	996,808
Unassigned	<u>(1,753,025)</u>	<u>(1,262,908)</u>	<u>(1,640,025)</u>	<u>(6,920,154)</u>	<u>(1,981,773)</u>	<u>(1,863,401)</u>	<u>(1,845,705)</u>	<u>(1,915,481)</u>	<u>(2,120,613)</u>	<u>(2,435,768)</u>
Total General Fund	<u>\$ (686,677)</u>	<u>\$ 520,496</u>	<u>\$ (1,228,981)</u>	<u>\$ (6,336,088)</u>	<u>\$ (1,430,714)</u>	<u>\$ (220,977)</u>	<u>\$ 627,142</u>	<u>\$ 2,106,900</u>	<u>\$ 2,961,344</u>	<u>\$ 3,303,035</u>
All Other Governmental Funds										
Restricted			898,000	148,543	1,308,242	1,650,496	755,108	47,617,988	34,440,663	19,002,816
Unassigned	-	-	-	-	-	-	-	-	-	(87,858)
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 898,000</u>	<u>\$ 148,543</u>	<u>\$ 1,308,242</u>	<u>\$ 1,650,496</u>	<u>\$ 755,108</u>	<u>\$ 47,617,988</u>	<u>\$ 34,440,663</u>	<u>\$ 18,914,958</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 32,959,663	\$ 32,959,563	\$ 32,959,663	\$ 34,177,243	\$ 36,249,715	\$ 37,665,506	\$ 38,667,832	\$ 39,764,229	\$ 41,686,406	\$ 42,846,456
Tuition	61,355	26,899		21,168	151,649	230,509	181,435	181,187	107,063	29,144
Transportation Fees				14,280	350				34,315	11,500
Interest Earnings				-						
Miscellaneous	183,586	176,528	93,266	116,401	144,339	286,276	187,963	653,948	1,862,134	647,786
State Sources	27,766,521	29,273,069	32,400,542	31,221,147	33,369,666	33,425,734	34,601,723	36,621,456	39,708,760	45,372,050
Federal Sources	4,312,478	3,460,554	2,474,572	;	2,304,352	3,182,483	2,747,104	2,837,765	2,974,068	2,791,913
Private Sources	16,300	28,618	69,485	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>65,299,903</b>	<b>65,925,231</b>	<b>67,997,528</b>	<b>65,550,239</b>	<b>72,220,071</b>	<b>74,790,508</b>	<b>76,386,057</b>	<b>80,058,585</b>	<b>86,372,746</b>	<b>91,698,849</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	20,320,443	19,258,186	20,455,246	28,237,321	27,736,394	27,776,518	28,746,500	30,966,696	33,775,950	34,815,598
Special Education Instruction	4,441,093	4,513,484	9,665,269	13,886,060	13,859,517	12,883,573	13,153,460	13,814,685	14,691,214	14,185,604
Other Instruction	2,337,533	2,375,586	2,463,787	2,589,920	2,593,607	3,125,208	3,427,976	3,041,495	3,090,547	3,313,606
School Sponsored Activities and Athletics	650,230	570,048	663,163	871,950	922,027	909,795	1,042,918	1,110,925	1,143,444	1,225,156
Community Service Programs		854								
<b>Support Services:</b>										
Instruction - Tuition	2,808,929	4,056,220								
Student & Inst. Related Services	6,905,529	6,197,196	6,405,219	7,963,690	8,183,981	8,081,925	8,330,889	8,657,642	9,383,166	10,038,792
General Administrative				1,702,703	2,085,684	2,665,188	2,171,704	2,097,127	2,036,551	1,988,873
School Administrative Services	2,793,659	3,000,652	3,305,995	5,194,945	3,973,916	5,471,386	6,030,603	5,882,759	6,160,729	6,691,243
Central Administrative Services				1,280,768	1,523,341	1,624,441	1,702,511	1,584,020	1,933,306	2,141,175
Other Administrative Services	1,844,179	1,918,343	2,229,402	-						
Operations and Maintenance	4,406,715	4,376,102	4,762,829	7,500,158	5,368,915	5,981,135	5,866,137	6,255,547	6,513,800	6,591,382
Pupil Transportation	2,064,803	2,262,663	2,514,617	3,291,038	3,477,562	2,917,804	2,766,544	2,791,865	3,679,611	4,069,479
Unallocated Benefits	14,837,925	15,320,377	16,611,562							
<b>Special Schools</b>										
Transfer to Charter Schools	13,881	76,130								
<b>Debt Service</b>										
Principal			375,339	734,819	1,490,947	1,916,388	1,830,984	2,136,698	1,885,123	3,913,753
Interest				54,313	82,028	107,605	111,972	92,727	1,707,986	1,718,089
Capital Outlay	522,994	97,287	1,334,449	2,751,170	2,238,017	1,971,380	1,251,128	2,226,684	13,277,200	20,368,838
<b>Total Governmental Fund Expenditures</b>	<b>63,947,913</b>	<b>64,023,128</b>	<b>70,786,877</b>	<b>76,058,855</b>	<b>73,535,936</b>	<b>75,432,346</b>	<b>76,433,326</b>	<b>80,658,870</b>	<b>99,278,627</b>	<b>111,061,588</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>1,351,990</b>	<b>1,902,103</b>	<b>(2,789,349)</b>	<b>(10,508,616)</b>	<b>(1,315,865)</b>	<b>(641,838)</b>	<b>(47,269)</b>	<b>(600,285)</b>	<b>(12,905,881)</b>	<b>(19,362,739)</b>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Other Financing sources (uses)</b>										
Bond Proceeds								\$ 48,536,000		
Capital Leases/Lease-Purchases			\$ 1,937,873	\$ 2,186,035	\$ 3,323,512	\$ 2,193,829		402,666	\$ 583,000	\$ 3,904,725
Premium on Capital Lease Proceeds										274,000
Refunding Capital Leases								181,151	181,151	
Payment to Refund Capital Lease								(176,894)	(176,894)	
Transfers in								214,809	214,809	447,298
Transfers out	\$ (881,220)	\$ (694,930)			(105,000)			(214,809)	(214,809)	(447,298)
State Aid Advance Loan Proceeds				-	4,162,426					
<b>Total other financing sources (uses)</b>	<u>(881,220)</u>	<u>(694,930)</u>	<u>1,937,873</u>	<u>2,186,035</u>	<u>7,380,938</u>	<u>2,193,829</u>	<u>-</u>	<u>48,942,923</u>	<u>587,257</u>	<u>4,178,725</u>
<b>Net change in fund balances</b>	<u>\$ 470,770</u>	<u>\$ 1,207,173</u>	<u>\$ (851,476)</u>	<u>\$ (8,322,581)</u>	<u>\$ 6,065,073</u>	<u>\$ 1,551,991</u>	<u>\$ (47,269)</u>	<u>\$ 48,342,638</u>	<u>\$ (12,318,624)</u>	<u>\$ (15,184,014)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	0.00%	0.00%	0.54%	1.08%	2.21%	2.76%	2.58%	2.84%	4.18%	6.21%

\* Noncapital expenditures are total expenditures less capital outlay.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Gate Receipts</u>	<u>Miscellaneous Fees</u>	<u>Refunds</u>	<u>Rentals</u>	<u>Voided Outstanding Checks</u>	<u>E-Rate</u>	<u>Other Misc.</u>	<u>Total</u>
2011	\$ 61,355	\$ 19,095	\$ 8,427			\$ 111,181	;				\$ 200,058
2012	26,699	28,647	4,848			113,750					173,944
2013			9,683			62,760					72,443
2014	21,168	14,280	7,892		\$ 11,087	37,228			\$ 34,723		126,378
2015	151,649	350	10,047			79,568				23,670	265,284
2016	230,509	850	12,454	\$ 9,423	8,342	126,738		\$ 84,144		42,318	514,778
2017	181,435	-	19,086	8,538	6,301	35,860				87,261	338,481
2018	181,187	-	64,523	11,551	31,066	128,464				152,591	569,382
2019	107,063	34,315	110,454	10,561	38,759	34,472		\$ 513,177		83,095	931,896
2020	29,144	11,500	77,734	10,766	2,311	26,504	24,857			6,489	189,305

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2011	\$ 81,072,280	\$ 2,078,775,000		\$ 309,523,000	\$ 159,276,850	\$ 235,705,600	\$ 2,864,352,730	\$ 8,314,100	\$ 2,872,666,830	\$ 3,503,942,829	\$ 1.1600
2012	46,700,780	2,045,375,500		299,717,800	136,380,450	213,775,750	2,741,950,280	6,458,076	2,748,408,356	2,982,890,760	1.199
2013	44,590,880	1,994,921,600		294,635,600	133,782,550	213,202,050	2,681,132,680	6,186,500	2,687,319,180	2,918,535,288	1.272
2014	42,638,180	1,989,920,400		301,318,400	131,609,250	213,901,650	2,679,387,880	5,589,772	2,684,977,652	2,850,879,126	1.350
2015	43,391,480	1,989,053,050		300,728,800	129,236,250	219,413,050	2,681,822,630	5,591,772	2,687,414,402	2,799,204,926	1.402
2016	51,164,380	1,990,272,550		301,983,200	123,162,150	212,165,950	2,678,748,230	5,912,200	2,684,960,430	2,781,981,547	1.440
2017	41,897,880	1,993,404,400		296,131,350	128,147,550	209,359,250	2,668,940,430	6,505,628	2,675,446,058	2,719,414,127	1.486
2018	41,271,880	1,993,549,500		303,504,950	128,209,750	209,568,950	2,676,105,030	6,565,100	2,682,670,130	2,767,367,474	1.554
2019	45,113,600	2,318,475,600		361,159,650	136,330,300	244,187,500	3,105,266,650	6,433,600	3,111,700,250	2,884,296,373	1.377
2020	55,708,100	2,319,392,850		350,242,750	131,250,200	241,654,700	3,098,248,600	6,586,826	3,105,335,426	3,162,166,188	1.426

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

EXHIBIT J-7

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN YEARS  
 (Unaudited)  
 (rate per \$100 of assessed value)**

Calendar Year	Total Direct School Tax Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Belleville Local School District	Municipality of Belleville	County of Essex		
2011	\$ 1.160	\$ 1.504	\$ 0.538	\$	3.202
2012	1.199	1.598	0.491		3.288
2013	1.272	1.678	0.530		3.480
2014	1.350	1.708	0.547		3.605
2015	1.402	1.765	0.537		3.704
2016	1.440	1.850	0.544		3.834
2017	1.486	1.867	0.524		3.877
2018	1.554	1.940	0.516		4.010
2019	1.377	1.714	0.450		3.541
2020	1.426	1.822	0.595		3.843

Source: Municipal Tax Collector

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
LAST YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Branch Brook Garden	\$ 34,339,800	1.11%	34,700,000	1.21%
Clara Maass Health Systems	25,004,300	0.81%	100,508,200	3.50%
432 Owners, Inc	21,635,800	0.70%	26,148,500	0.91%
Route 21 Assoc. of BLV, LLC	15,030,700	0.48%	19,115,000	0.67%
Belleville Industrial Center	13,606,200	0.44%	15,005,600	0.52%
SROA Belleville Property, LLC	13,207,100	0.43%		;
PSE&G Co.	12,598,200	0.41%	21,939,900	0.76%
Center for Molecular Medicine		0.00%	17,979,400	0.63%
Belleville Center, LLC		0.00%	12,052,300	0.42%
Belleville Industrial Property Bldg 12		0.00%	11,695,300	0.41%
Oster Belleville Properties, LLC	11,802,400	0.38%	11,405,000	0.40%
Bellevue Gardens, LLC	11,966,900	0.39%		
SH 726 LLC	9,800,300	0.32%		
	<u>\$ 109,647,600</u>	<u>3.53%</u>	<u>\$ 270,549,200</u>	<u>9.42%</u>

Source: Municipal Tax Assessor

\* 2018 and 2009 Information Not Available



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 32,959,663	\$ 32,959,663	100.00%	
2012	32,959,663	32,959,663	100.00%	
2013	32,959,663	32,959,663	100.00%	
2014	34,177,243	34,177,243	100.00% ;	
2015	36,249,715	36,249,715	100.00%	
2016	37,665,506	37,665,506	100.00%	
2017	38,667,832	38,667,832	100.00%	
2018	39,764,229	39,764,229	100.00%	
2019	41,686,406	41,686,406	100.00%	
2020	42,846,456	42,846,456	100.00%	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Lease Purchase Agreements			
2011				-	35,828	-
2012				-	35,919	-
2013		;		\$ -	35,849	\$ -
2014		2,815,293	\$ 198,458	3,013,751	35,879	84
2015		4,731,651	114,665	4,846,316	35,923	135
2016		5,540,000		5,540,000	35,950	154
2017		4,125,259		4,125,259	35,980	115
2018	\$ 48,536,000	2,547,481	264,246	51,347,727	35,940	1,429
2019	48,536,000	1,343,586	582,261	50,461,847	36,542	1,381
2020	46,010,000	4,563,414	295,648	50,869,062	36,497	1,394

\* Estimate

Source: District records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita
	General Obligation Bonds	Deductions			
2011			-	0.00%	-
2012			-	0.00%	-
2013			-	0.00%	-
2014			-	0.00%	-
2015			-	0.00%	-
2016			-	0.00%	-
2017			-	0.00%	-
2018	\$ 48,536,000		\$ 48,536,000	1.81%	\$ 1,350
2019	48,536,000		48,536,000	1.56%	1,328
2020	46,010,000		46,010,000	1.48%	1,261

Source: District records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Belleville Township School District (as of June 30, 2020)	\$ 46,010,000
Township of Belleville	<u>30,346,687</u>
	<u>76,356,687</u>
Overlapping Debt Apportioned to the Municipality:	
Essex County:	
County of Essex (A)	17,018,002
Passaic Valley Sewerage Authority (B)	<u>4,401,717</u>
Total Overlapping Debt	<u>21,419,719</u>
Total Direct and Overlapping Debt	<u>\$ 97,776,406</u>

Source:

(1) Township's 2019 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2019 equalized value by the total 2019 equalized value for Essex County.

(B) The debt was computed based upon municipal flow to the Authority.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Legal Debt Margin Calculation for Fiscal Year 2020**

	Equalized valuation basis
	2019 \$ 3,134,416,726
	2018 \$ 2,843,889,511
	2017 <u>2,729,815,311</u>
	<u>\$ 8,708,121,548</u>
Average equalized v Average equalized valuation of taxable property	<u>\$ 2,902,707,183</u>
Debt limit (4 % of average equalization value)	\$ 116,108,287
Total Net Debt Applicable to Limit	<u>46,010,601</u>
Legal debt margin	<u>\$ 70,097,686</u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 145,875,347	\$ 143,752,537	\$ 135,233,184	\$ 125,924,316	\$ 113,753,774	\$ 111,578,386	\$ 109,971,672	\$ 109,508,735	\$ 110,295,761	\$ 116,108,287
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,536,601</u>	<u>48,536,601</u>	<u>46,010,601</u>
Legal debt margin	<u>\$ 145,875,347</u>	<u>\$ 143,752,537</u>	<u>\$ 135,233,184</u>	<u>\$ 125,924,316</u>	<u>\$ 113,753,774</u>	<u>\$ 111,578,386</u>	<u>\$ 109,971,672</u>	<u>\$ 60,972,134</u>	<u>\$ 61,759,160</u>	<u>\$ 70,097,686</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	44.32%	44.01%	39.63%

Source: Annual Debt Statements

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	35,828	\$ 50,908	10.70%
2012	35,919	51,947	10.80%
2013	35,849	54,225	9.50%
2014	35,879	55,049	7.90%
2015	35,923	55,797	6.30%
2016	35,950	58,470	5.40%
2017	35,980	60,836	5.20%
2018	35,940	62,253	4.60%
2019	36,542	64,232	4.50%
2020	36,497	67,459	not available

Source: New Jersey State Department of Education

(E) - Estimate

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS,  
 CURRENT YEAR AND NINE YEARS AGO  
 (Unaudited)**

	<u>2020</u>		<u>2011</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

;

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Instruction										
Regular	230.0	242.0	327.0	249.0	270.0	293.0	238.0	229.0	250.0	254.0
Special Education	83.0	84.0	45.0	144.0	138.0	45.0	70.0	53.0	73.0	77.0
Other Special Education	36.0	40.0	28.0	29.0	29.0	44.0	104.0	107.0	103.0	108.0
Other Instruction	1.0			1.0	1.0	1.0	-	-		
Support Services:										
Student and Instruction Related Services	74.0	57.0	56.0	69.0	67.0	33.0	51.0	33.0	33.0	33.0
General Administrative Services	7.0	6.0	5.0	;	5.0	5.0	11.0	-	-	
School Administrative Services	29.0	32.0	27.0	39.0	42.0	21.0	17.0	35.0	35.0	35.0
Central Services	6.0	6.0	8.0	6.0	7.0	7.0	10.0	50.0	50.0	50.0
Administrative Information Technology	3.0	2.0	1.0	1.0	1.0	4.0	3.0	3.0	7.0	7.0
Plant Operations and Maintenance	38.0	42.0	59.0	50.0	47.0	36.0	39.0	36.0	36.0	36.0
Pupil Transportation	2.0	2.0	15.0	36.0	35.0	15.0	14.0	26.0	26.0	26.0
Other Support Services			18.0	23.0	23.0	16.0	15.0	63.0	63.0	63.0
				-						
Total	<u>509.0</u>	<u>513.0</u>	<u>589.0</u>	<u>647.0</u>	<u>665.0</u>	<u>520.0</u>	<u>572.0</u>	<u>635.0</u>	<u>676.0</u>	<u>689.0</u>

Source: District Personnel Records

N/A - Information is not available.



BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	High School				
2011	4,626	\$ 63,424,919	\$ 13,711	0.97%	312	17.3	13.6	12.1	4,554.7	4,265.8	1.40%	93.66%
2012	4,705	64,023,128	13,607	-0.75%	337	15.4	12.6	12.3	4,648.9	4,387.2	2.07%	94.37%
2013	4,638	69,077,090	14,894	9.45%	328	12.3	11.9	11.9	N/A	N/A	N/A	N/A
2014	4,650	72,518,553	15,595	4.71%	342	12.3	16.3	13.7	4,430.8	4,428.5	N/A	99.95%
2015	4,761	69,724,944	14,645	-6.09%	342	12.6	16.9	13.4	4,666.1	4,461.4	5.31%	95.61%
2016	4,642	71,436,973	15,389	5.08%	338	14.0	13.8	12.3	4,593.4	3,977.8	-1.56%	86.60%
2017	4,587	73,239,242	15,967	3.75%	342	14.2	14.0	12.7	4,464.6	4,047.9	-2.80%	90.67%
2018	4,495	76,202,761	16,953	6.18%	390	13.7	15.2	14.6	4,487.2	4,182.5	0.51%	93.21%
2019	4,492	82,408,318	18,346	8.22%	406	16.5	2.2	12	4,464.1	4,207.7	-0.52%	94.26%
2020	4,551	85,060,908	18,691	1.88%	415	9.7	9.7	9.09	4,528.8	4,344.8	1.45%	95.94%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

N/A - Information not available.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
School Three										
Square Feet	43,852	43,852	43,852	43,852	42,852	42,852	42,852	48,852	48,852	48,852
Capacity Students	299	299	299	299	299	299	299	299	299	299
Enrollment	379	379	388	342	341	338	306	343	389	350
School Four										
Square Feet	64,647	64,647	64,647	64,647	64,647	64,647	64,647	64,647	64,647	64,647
Capacity Students	434	434	434	434	434	434	434	434	434	434
Enrollment	382	382	410	368	374	360	349	322	427	459
School Five										
Square Feet	44,434	44,434	44,434	44,434	44,434	44,434	44,434	44,434	44,434	44,434
Capacity Students	333	333	333	333	333	333	333	333	333	333
Enrollment	393	393	413	339	347	308	328	355	424	401
School Seven										
Square Feet	52,030	52,030	52,030	52,030	52,030	52,030	52,030	52,030	52,030	52,030
Capacity Students	387	387	387	387	387	387	387	387	387	387
Enrollment	383	383	378	364	370	396	388	380	431	450
School Eight										
Square Feet	41,283	41,283	41,283	41,283	41,283	41,283	41,283	41,283	41,283	41,283
Capacity Students	430	430	430	430	430	430	430	430	430	430
Enrollment	533	533	542	465	447	430	430	442	511	498
School Nine										
Square Feet	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167	16,167
Capacity Students	158	158	158	158	158	158	158	158	158	158
Enrollment	141	141	156	119	114	116	127	127	134	138
School Ten										
Square Feet	24,401	24,401	24,401	24,401	24,401	24,401	24,401	24,401	24,401	24,401
Capacity Students	169	169	169	169	169	169	169	169	169	169
Enrollment	184	184	214	166	163	148	166	168	171	151

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>District Building</u></b>										
<b><u>Middle School</u></b>										
Square Feet	148,552	148,552	148,552	148,552	148,552	148,552	148,552	148,552	148,552	148,552
Capacity Students	639	639	639	639	639	639	639	639	639	639
Enrollment	708	708	667	1,046	1,046	1,024	974	973	621	711
<b><u>High School</u></b>										
Square Feet	208,454	208,454	208,454	208,454	208,454	208,454	208,454	208,454	208,454	208,454
Capacity Students	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Enrollment	1,454	1,454	1,443	1,510	1,460	1,404	1,388	1,378	1,356	1,393
<b><u>Other</u></b>										
School One										
Square Feet	33,512	33,512								
Garage Middle School										
Square Feet	465	465	465	465	465	465	465	465	465	465
Field House										
Square Feet	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080
Field House										
Square Feet	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080	1,080
Plant Building										
Square Feet	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

Number of Schools at June 30, 2020

- Elementary - 7
- Middle School - 1
- High School - 1
- Other -3

Source: District Records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN YEARS**  
**(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED**  
**MAINTENANCE FOR SCHOOL FACILITIES**  
**11-000-261-XXX**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>School Facilities</b>										
School Three	\$ 81,151	\$ 94,660	\$ 90,411	\$ 115,324	\$ 76,151	\$ 65,827	\$ 71,216	\$ 88,401	\$ 89,785	\$ 92,859
School Four	29,228	104,830	74,583	95,135	62,820	54,303	58,749	72,925	74,067	76,603
School Five	105,709	53,009	51,547	65,751	;	37,531	40,603	50,401	51,190	52,943
School Seven	111,017	47,811	95,438	121,736	80,385	69,487	75,175	93,316	94,777	98,022
School Eight	153,380	80,265	102,985	131,363	86,742	74,982	81,120	100,695	102,272	105,774
School Nine	13,336	101,867	63,923	81,537	53,841	46,541	50,351	62,502	63,481	65,654
School Ten	99,919	48,564	42,567	54,297	35,854	30,993	33,530	41,622	42,274	43,721
Middle School	111,740	137,154	146,166	186,443	123,113	106,422	115,134	142,917	145,155	150,125
High School	<u>227,664</u>	<u>378,733</u>	<u>307,111</u>	<u>391,736</u>	<u>258,672</u>	<u>223,602</u>	<u>241,907</u>	<u>300,282</u>	<u>304,984</u>	<u>315,427</u>
Grand Total	<u>\$ 933,144</u>	<u>\$1,046,893</u>	<u>\$ 974,731</u>	<u>\$1,243,322</u>	<u>\$ 777,578</u>	<u>\$ 709,688</u>	<u>\$ 767,785</u>	<u>\$ 953,061</u>	<u>\$ 967,984</u>	<u>\$1,001,128</u>

Source: District Records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2020**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - N.J. Schools Insurance Group		
Property:		
Blanket Building and Contents	\$ 157,352,691	
Boiler and Machinery	100,000,000	\$ 5,000
Real and Personal Property	500,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Demolition and Increased Costs of Construction	25,000,000	
Fire Department Service Charge/Arson Reward	10,000	
Pollutant Cleanup and Removal	250,000	
Special Flood Hazard Area Flood Zones	25,000,000	500,000
All Flood Zones	75,000,000	10,000
Accounts Receivable	250,000	
Earthquake	50,000,000	
Terrorism	1,000,000	
Comprehensive General Liability		
Bodily Injury from Products and Completed Operations	16,000,000	N/A
Product & Completed Operations	16,000,000	
Personal & Advertising Injury	16,000,000	
Sexual Abuse	16,000,000	
Employee Benefits Liability	16,000,000	1,000
Premises Medical Payments	10,000	
Electronic Data Processing:		
Hardware/Software	3,500,000	1,000
Crime:		
Blanket Dishonest	500,000	1,000
Forgery or Alteration	100,000	1,000
Money and Securities	100,000	1,000
Money Order/Counterfeit	100,000	1,000
Computer Fraud	500,000	1,000
Public Officials Bond:		
Board Secretary	350,000	1,000
Treasurer	350,000	1,000
Automobile:		
Comprehensive Automobile Liability	16,000,000	1,000
Uninsured/Underinsured Motorists	1,000,000	
Personal Injury Protection	250,000	
Garage keepers Liability	Included	

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
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DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA  
CHRISTINA CUIFFO, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees or Board of Education  
Belleville Board of Education  
Belleville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Belleville Board of Education's basic financial statements and have issued our report thereon dated March 4, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Belleville Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Belleville Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Belleville Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Belleville Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Belleville Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 4, 2021.

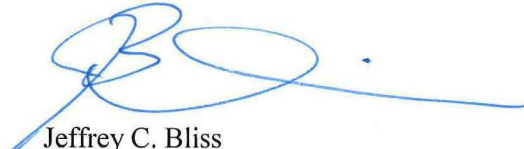
### **Belleville Board of Education's Responses to Findings**

The Belleville Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Belleville Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Belleville Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Belleville Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*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  
March 4, 2021





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB  
CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Belleville Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Belleville Board of Education's major federal and state programs for the fiscal year ended June 30, 2020. The Belleville Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Belleville Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Belleville Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Belleville Board of Education's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Belleville Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003. Our opinion on each major federal and state program is not modified with respect to these matters.

The Belleville Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Belleville Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of the Belleville Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Belleville Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Belleville Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Belleville Board of Education's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Belleville Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 4, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*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  
March 4, 2021

BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2019			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Adjustments	Balance, June 30, 2020			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Agriculture</b>																	
<b>Passed-through State Department of Education</b>																	
National School Lunch Program - Non Cash	10.555	201NJ304N1099	7/1/19-6/30/20	\$ 148,975					\$ 148,975	\$ 136,376				\$ 12,599			
National School Lunch Program - Non Cash	10.555	191NJ304N1099	7/1/18-6/30/19	156,856		\$ 2,591				2,591							
National School Lunch Program	10.555	201NJ304N1099	7/1/19-6/30/20	1,078,926					933,727	1,078,926				\$ (145,199)		\$ (145,199)	
National School Lunch Program	10.555	191NJ304N1099	7/1/18-6/30/19	996,875	\$ (73,686)				73,686								
National School Breakfast Program	10.553	201NJ304141099	7/1/19-6/30/20	712,396					622,495	712,396				(89,901)		(89,901)	
National School Breakfast Program	10.553	191NJ304141099	7/1/18-6/30/19	686,232	(58,836)				58,836								
Total Child Nutrition Cluster / Enterprise Fund					(132,522)	2,591			1,837,719	1,930,289				(235,100)	12,599	(235,100)	
<b>General Fund</b>																	
<b>U.S. Department of Health and Human Services</b>																	
<b>Passed-through State Department of Education</b>																	
Medical Assistance Program (SEMI)	93.778	2005NJSMP	7/1/19-6/30/20	148,629	-	-	-	-	148,629	148,629	-	-	-	-	-	-	
<b>U.S. Department of Homeland Security</b>																	
FEMA	97.000	N/A	3/22/19-6/30/20	80,794	-	-	-	-	-	80,794	-	-	-	(80,794)	-	(80,794)	
Total General Fund					-	-	-	-	148,629	229,423	-	-	-	(80,794)	-	(80,794)	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
<b>Special Revenue Fund</b>																	
IDEA Part B, Basic	84.027	H027A190100	7/1/19-9/30/20	1,110,656			\$ 4,011	\$ (4,011)	1,040,523	1,102,988				(74,144)	11,679	(62,465)	
IDEA Part B, Basic	84.027	H027A180100	7/1/18-6/30/19	1,119,170	(21,677)	4,011	(4,011)	4,011	17,666					-	-	-	
IDEA Part B, Preschool Handicapped	84.173	H173A190114	7/1/19-9/30/20	26,053	-	-	-	-	26,053	26,053	-	-	-	-	-	-	
Total Special Education Cluster					(21,677)	4,011	-	-	1,084,242	1,129,041	-	-	-	(74,144)	11,679	(62,465)	
Carl D. Perkins Vocation Education	84.048A	V048A190030	7/1/19-6/30/20	52,977					49,617	49,074				(3,360)	3,903		
Carl D. Perkins Vocation Education	84.048A	V048A180030	7/1/18-6/30/19	51,275	(4,549)	3,003	-	-	886					(660)	-	(660)	
Total Carl D. Perkins Vocation Education					(4,549)	3,003	-	-	50,503	49,074	-	-	-	(4,020)	3,903	(660)	
ESEA - Title I, Part A	84.010	S010A190030	7/1/19-9/30/20	1,052,666			4,206	(4,206)	814,370	1,021,784				(242,502)	35,088	(207,414)	
ESEA - Title I, Part A	84.010	S010A180030	7/1/18-6/30/19	1,186,626	(210,438)	4,206	(4,206)	4,206	206,232					-	-	-	
ESEA - Title I, Part A Re-Allocated	84.010	S010A190030	7/1/19-9/30/20	89,854					40,143	63,999				(49,711)	25,855	(23,856)	
ESEA - Title I, Part A Re-Allocated	84.010	S010A180030	2/1/19-9/30/19	145,533	(126,868)	31,277	-	-	107,306	15,222				(3,507)	-	(3,507)	
Total ESEA Title I					(337,306)	35,483	-	-	1,168,051	1,101,005	-	-	-	(295,720)	60,943	(234,777)	
ESEA Title II, Part A	84.367A	S367A180029	7/1/19-6/30/20	187,383			51,311	(51,311)	142,601	182,843				(96,093)	55,851	(40,242)	
ESEA Title II, Part A	84.367A	S367A180029	7/1/18-6/30/19	129,547	(78,596)	51,311	(51,311)	51,311	27,285					-	-	-	
Total ESEA Title II					(78,596)	51,311	-	-	169,886	182,843	-	-	-	(96,093)	55,851	(40,242)	
ESEA Title III - Language	84.365	S365A190030	7/1/19-09/30/20	49,250			13,167	(13,167)	8,052	37,725				(54,365)	24,692	(29,673)	
ESEA Title III - Language	84.365	S365A180030	7/1/18-6/30/19	38,742	(20,420)	13,167	(13,167)	13,167	7,253					-	-	-	
ESEA Title III - Immigrant	84.365	S365A190030	7/1/19-09/30/20	20,093			8,595	(8,595)		26,327				(28,688)	2,361	(26,327)	
ESEA Title III - Immigrant	84.365	S365A180030	7/1/18-6/30/19	18,535	(29,129)	8,595	(8,595)	8,595	20,534					-	-	-	
Total ESEA Title III					(49,549)	21,762	-	-	35,839	64,052	-	-	-	(83,053)	27,053	(56,000)	

BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2019			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Adjustments	Balance, June 30, 2020			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed-through State Department of Education																	
<u>Special Revenue Fund</u>																	
ESEA Title IV	84.424	S424A190031	7/1/19-9/30/20	\$ 65,852			\$ 6,926	\$ (6,926)	\$ 34,068	\$ 63,919				\$ (38,710)	\$ 8,859		\$ (29,851)
ESEA Title IV	84.424	S424A180031	7/1/18-6/30/19	67,934	\$ (20,642)	\$ 6,926	-	(6,926)	6,926	13,716	-	-	-	-	-	-	-
Total ESEA Title IV					(20,642)	6,926	-	-	-	47,784	63,919	-	-	(38,710)	8,859	-	(29,851)
CARES Act	84.425D	5425D200027	3/3/20-9/30/22	847,319	-	-	-	-	-	-	-	-	-	(847,319)	847,319	-	-
Total Special Revenue Fund					\$ (512,319)	\$ 122,496	\$ -	\$ -	\$ -	\$ 2,556,305	\$ 2,589,934	\$ -	\$ -	\$ (1,439,059)	\$ 1,015,607	\$ -	\$ (423,995)
Total Federal Awards					\$ (644,841)	\$ 125,087	\$ -	\$ -	\$ -	\$ 4,542,653	\$ 4,749,646	\$ -	\$ -	\$ (1,754,953)	\$ 1,028,206	\$ -	\$ (739,889)

BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADD DEBT SERVICE AID

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund:</b>												
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 25,275,095		\$ 22,786,863	\$ 25,275,095		\$ (2,488,232)				\$ 25,275,095
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	22,910,926	\$ (2,243,839)	2,243,839							
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	3,112,840		2,806,393	3,112,840		(306,447)				3,112,840
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	3,112,840	(304,864)	304,864							
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	1,686,624		1,520,583	1,686,624		(166,041)				1,686,624
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	1,686,624	(165,184)	165,184							
<b>Total State Aid Public Cluster</b>				<b>(2,713,887)</b>	<b>29,827,726</b>	<b>30,074,559</b>	<b>-</b>	<b>(2,960,720)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,074,559</b>
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	625,449		563,876	625,449		(61,573)				625,449
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	625,449	(61,255)	61,255							
Non-Public School Transportation	19-495-034-5120-014	7/1/18-6/30/19	104,110	(104,110)	104,110						\$ -	-
<b>Total Transportation Aid Cluster</b>				<b>(165,365)</b>	<b>729,241</b>	<b>625,449</b>	<b>-</b>	<b>(61,573)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,449</b>
Extraordinary Special Ed Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	700,745			700,745		(700,745)				700,745
Extraordinary Special Ed Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	503,698	(503,698)	503,698							
<b>On Behalf Payments</b>												
TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	2,448,221		2,325,350	2,448,221		(122,871)				2,448,221
TPAF Social Security	19-495-034-5094-003	7/1/18-6/30/19	2,299,813	(116,063)	116,063						(122,871)	
TPAF Social Security	15-495-034-5094-003	7/1/14-6/30/15	2,130,405	7,924			\$ 7,924					
<b>TPAF Contributions</b>												
Pension - NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	112,291		112,291	112,291						112,291
Pension Benefit Contribution	20-495-034-5094-002	7/1/19-6/30/20	6,264,879		6,264,879	6,264,879						6,264,879
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	4,653		4,653	4,653						4,653
Post Retirement Medical Benefit Contribution	20-495-034-5094-001	7/1/19-6/30/20	2,365,813		2,365,813	2,365,813						2,365,813
<b>Total General Fund</b>				<b>(3,491,089)</b>	<b>42,249,714</b>	<b>42,596,610</b>	<b>7,924</b>	<b>(3,845,909)</b>	<b>-</b>	<b>-</b>	<b>(122,871)</b>	<b>42,596,610</b>
<b>Special Revenue:</b>												
Preschool Education Aid	20-495-034-5120-065	7/1/19-6/30/20	\$ 892,452	\$ -	\$ 804,594	\$ 892,452	\$ -	\$ (87,858)	\$ -	\$ -	\$ -	\$ 892,452
<b>New Jersey Nonpublic Aid:</b>												
<b>Auxiliary Services:</b>												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	62,462		56,216	52,241		(6,246)	\$ 10,221		(6,246)	52,241
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	106,515	48,226			48,226					
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	1,654		1,489			(165)		1,654	(165)	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	2,934	2,071			2,071					
Transportation	19-100-034-5120-068	7/1/18-6/30/19	21,250	21,250			21,250					
<b>Total Auxiliary Services (Chapter 192) Cluster</b>				<b>71,547</b>	<b>57,705</b>	<b>52,241</b>	<b>71,547</b>	<b>(6,411)</b>	<b>-</b>	<b>11,875</b>	<b>(6,411)</b>	<b>52,241</b>

BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo Cumulative	
								(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Total Expenditures
<b>Handicapped Services:</b>												
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	17,408		\$ 15,533	\$ 14,856		\$ (1,875)	\$ 2,552	\$ (1,875)	\$ 14,856	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	26,159	\$ 16,785		\$ 16,785						
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	12,142		10,890	10,119		(1,252)	2,023	(1,252)	10,119	
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	15,463	7,136	-	-	7,136	-	-	-	-	
<b>Total Handicapped Services (Chapter 193) Cluster</b>				<b>23,921</b>	<b>26,423</b>	<b>24,975</b>	<b>23,921</b>	<b>(3,127)</b>	<b>-</b>	<b>4,575</b>	<b>(3,127)</b>	<b>24,975</b>
<b>Textbook Aid</b>												
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	6,747		6,747	6,669			78		6,669	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	7,956	12			12					
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	12,416		12,416	10,260			2,156		10,260	
Nonpublic Technology	20-100-034-5120-373	7/1/19-6/30/20	4,608		4,608	4,608			-		4,608	
Nonpublic Technology	19-100-034-5120-373	7/1/18-6/30/19	5,364	177			177					
Nonpublic Security	20-100-034-5120-509	7/1/19-6/30/20	19,200		19,200	17,984			1,216		17,984	
Nonpublic Security	19-100-034-5120-084	7/1/18-6/30/19	22,350	8,113			8,113					
Advanced Computer Science	19E00120	1/15/19-6/30/20	80,558	(59,609)	69,236	14,669	-	(5,042)	-	-	(5,042)	14,669
<b>Total Special Revenue Fund</b>				<b>44,161</b>	<b>1,000,929</b>	<b>1,023,858</b>	<b>103,770</b>	<b>(102,438)</b>	<b>-</b>	<b>19,900</b>	<b>(14,580)</b>	<b>1,023,858</b>
<b>Debt Service Fund:</b>												
Debt Service Aid-Type II	20-495-034-5120-075	7/1/19-6/30/20	2,299,164	-	2,299,164	2,299,164	-	-	-	-	-	2,299,164
<b>Total Debt Service Fund</b>				<b>-</b>	<b>2,299,164</b>	<b>2,299,164</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,299,164</b>
<b>State Department of Agriculture</b>												
<b>Enterprise Fund:</b>												
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	20,941		18,659	20,941		(2,282)			(2,282)	20,941
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	22,722	(1,644)	1,644	-	-	-	-	-	-	-
<b>Total Food Service Fund</b>				<b>(1,644)</b>	<b>20,303</b>	<b>20,941</b>	<b>-</b>	<b>(2,282)</b>	<b>-</b>	<b>-</b>	<b>(2,282)</b>	<b>20,941</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>(3,448,572)</b>	<b>45,570,110</b>	<b>45,940,573</b>	<b>111,694</b>	<b>(3,950,629)</b>	<b>-</b>	<b>19,900</b>	<b>(139,733)</b>	<b>45,940,573</b>
<b>State Financial Assistance Not Subject to Major Program Determination</b>												
<b>General Fund</b>												
On-Behalf TPAF Pension System Contributions-NCGI	20-495-034-5094-004	7/1/19-6/30/20	112,291		(112,291)	(112,291)						(112,291)
On-Behalf TPAF Pension System Contributions- Pension Benefit	20-495-034-5094-002	7/1/19-6/30/20	6,264,879		(6,264,879)	(6,264,879)						(6,264,879)
On-Behalf TPAF Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	4,653		(4,653)	(4,653)						(4,653)
On-Behalf TPAF Post-Retirement Medical Contribution	20-495-034-5094-001	7/1/19-6/30/20	2,365,813		(2,365,813)	(2,365,813)						(2,365,813)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (3,448,572)</b>	<b>\$ 36,822,474</b>	<b>\$ 37,192,937</b>	<b>\$ 111,694</b>	<b>\$ (3,950,629)</b>	<b>\$ -</b>	<b>\$ 19,900</b>	<b>\$ (139,733)</b>	<b>\$ 37,192,937</b>

**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Belleville Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$444,198 for the general fund and a decrease of \$131,112 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 229,423	\$ 42,152,412	\$ 42,381,835
Special Revenue Fund	2,562,490	920,474	3,482,964
Debt Service Fund		2,299,164	2,299,164
Food Service Fund	1,930,289	20,941	1,951,230
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	<u>\$ 4,722,202</u>	<u>\$ 45,392,991</u>	<u>\$ 50,115,193</u>



**BELLEVILLE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,448,221 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$6,377,120, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,365,813 and TPAF Long-Term Disability Insurance in the amount of \$4,653 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over major programs:

(1) Material weakness(es) identified?

\_\_\_\_\_ yes        X   no

(2) Significant deficiencies identified that are not considered to be material weakness(es)?

\_\_\_\_\_ yes        X   none reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

  X   yes      \_\_\_\_\_ no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>20-495-034-5120-075</u>	<u>Debt Service Aid</u>
<u>20-495-034-5120-086</u>	<u>Preschool Education Aid</u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,115,788

Auditee qualified as low-risk auditee?

  X   yes      \_\_\_\_\_ no

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2020-001**

We noted the following from our audit of accounts payable and encumbrances:

- One review of the Capital Projects Fund's encumbrances at year end revealed several open purchase orders which were deemed invalid at June 30, 2020.
- Our audit of the District's general ledger and year end accounts payable and encumbrance reports revealed the following:
  - General ledger control account balances of the various funds at June 30, 2020 did not agree to the year end accounts payable and encumbrance report balances of the respective fund.
  - Current year expenditures were misposted against the general ledger accounts payable accounts rather than to the budget accounts in both the General and Capital Project Funds.
  - We noted an outstanding purchase order balance that was reported in both the accounts payable and encumbrances reports at June 30, 2020.
  - Accounts payable report at June 30, 2020 included the State debit/credit memo amounts.

**Criteria or Specific Requirement**

State Department of Education's GAAP Technical System Manual, Generally Accepted Accounting Principles

**Condition**

Encumbrances reported in the Capital Projects Fund at June 30, 2020 were deemed invalid and should have been cancelled at year. Accounts payable and encumbrance reports at year end were not reconciled to general ledger account balances. Accounts payable and encumbrance reports were not reviewed for purchase orders which should have been removed before year end.

**Context**

- Invalid encumbrances totaling \$919,532 were reported in the Capital Projects Fund at June 30, 2020.
- General ledger account balances were not in agreement in the respective funds accounts payable and encumbrance reports by approximately \$19.5 million at June 30, 2020.
- Misposting of current expenditures to general ledger accounts payable accounts totaled approximately \$2.4 million.
- A purchase order in the amount of \$207,791 was reported as both an accounts payable and encumbrance.
- State debit/credit memos totaling \$580,210 were reported as accounts payable at year end.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2020-001 (Continued)**

**Effect**

The District's financial statements may be misstated. Audit adjustments were made to correct known material misstatements.

**Cause**

Unknown.

**Recommendation**

- Procedures be reviewed and revised to ensure encumbrances in the Capital Projects Fund are reviewed at year end for validity and invalid encumbrances be cancelled accordingly.
- Internal control procedures be reviewed and revised to ensure the accounts payable and encumbrance reports are reconciled to the general ledger account balances on a monthly basis and reviewed for accuracy.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2020-002**

Our audit of purchases and contract awards in excess of the bid or quote thresholds revealed the following as it relates to compliance with the Public School Contracts Law:

- We noted instances where contract awards and purchases for janitorial supplies and window tinting were made in excess of the bid threshold where there was no documentation provided to support publicly advertised bids were sought, State contract or cooperative purchasing contracts were awarded in accordance with the requirements of the Public School Contracts Law (N.J.S.A. 18A:18A). In addition, these contract awards and purchases were not approved by Board resolution in accordance with the Public Schools Contract Law.
- We noted a contract for substitute staffing services that was not awarded through a competitive contracting process and did not included a not to exceed contract amount.
- Documentation supporting the use of cooperative purchasing agencies revealed several instances where it was indeterminable if the District's contract amount and subsequent amounts billed were in accordance with the respective cooperative contract awards hourly rates and/or material mark-up percentages.
- We noted payments were made for technology supplies and cafeteria repairs the cost of which exceeded the quote threshold, for which competitive quotations were not sought.
- A Board approved professional service contract award was not subsequently published in the District's official newspaper as required by the Public School Contracts Law.

**State program information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions  
NJSA 18A:18A – Public School Contracts Law

**Condition:**

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Questioned Costs:**

Unknown.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2020-002 (Continued)**

**Context:**

- Purchase for janitorial supplies and window tinting totaled \$316,911 and \$44,268, respectively for the 2019/2020 school year.
- Substitute staffing service payments totaled \$895,594 for the 2019/2020 school year.
- Several approved cooperative purchasing program vendors tested did not have documentation on file to support per unit prices billed and paid by the District.
- Payments for technology supplies and cafeteria repairs totaled \$28,383 and \$20,121, respectively for the 2019/2020 school year.
- Engineering services contract award totaled \$299,300.

**Effect:**

Noncompliance with requirements of the Public School Contracts Law.

**Cause:**

Unknown.

**Recommendation:**

Continued efforts be made to improve internal control procedures over purchasing to ensure all contract awards and purchases which exceed the bid or quote threshold are procured and awarded in accordance with the requirements of the Public School Contracts Law.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS**

**Finding 2020-003**

Our audit of the A.S.S.A. indicated the following:

- A variance of ninety nine (99) students was noted when comparing the number of on-roll students reported on the ASSA with the supporting district workpapers.
- A variance of 140 students was noted when comparing the number of low income students reported on the ASSA with the supporting district workpapers.

**State program information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid Public - Eligibility

**Condition:**

Student counts reported in the On-Roll and Low-Income categories were not in agreement with supporting workpapers.

**Questioned Costs:**

Unknown.

**Context:**

The District reported 4,396 students as on roll on the ASSA. Supporting workpapers reflected 4,495, for a variance of 99.

The District reported 2,341 students as low income on the ASSA. Supporting workpapers reflected 2,481, for a variance of 140.

**Effect:**

Noncompliance with State Aid Public Compliance Requirements.

**Cause:**

Unknown.

**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.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2019-001**

**Condition**

Liabilities were unrecorded on the District's financial records. Open purchase orders were misclassified between accounts payable and reserved for encumbrance. Purchase orders were not in agreement with vendor invoices. Contract values reflected on vendor invoices were not authorized by the Board.

**Current Status**

Corrective action was taken.

**Finding 2019-002**

**Condition**

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

**Current Status**

See Finding 2020-002.

**Finding 2019-003**

**Condition**

Student counts reported in the On-Roll and Low-Income categories were not in agreement with supporting workpapers.

Students reported as Private Schools for the Disabilities and LEP-Low Income was not always eligible for reporting in the respective category.

**Current Status**

See Finding 2020-003.