

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2020**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Auditor's Management Report	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	5
School Food Service	6-7
Student Body Activities	7
Application for State School Aid	8
Pupil Transportation	8
Facilities and Capital Assets	8
Testing for Lead of all Drinking Water in Educational Facilities	8
Management Suggestions	8
Follow-Up Prior Year Findings	8
Schedule of Meal Count Activity	9
Net Cash Resource Schedule	10
Schedule of Audited Enrollments	11-13
Excess Surplus Calculation	14
Recommendations	15-16
Acknowledgement	16



# 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

## AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Belleville Township School District, State of New Jersey as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated March 4, 2021.

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

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

*Lerch, Vinci & Higgins, LLP*

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

Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
March 4, 2021

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

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

**Official Bonds**

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

- **Finding** – Surety bond coverage of the Treasurer of School Monies was below the minimum required by NJAC 6A:23A-16.4. We noted the District subsequently increased the Treasurer's surety bond to the minimum required by NJAC 6A:23A-16.4, therefore, no recommendation is deemed warranted.

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

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

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator and the Chief School Administrator.

Salary withholdings tested were promptly remitted to the proper agencies, including health benefits premium withholdings due to the General Fund.

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

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Reserve for Encumbrances and Accounts Payable

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

- **Finding (See CAFR Finding 2020-001)** – 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.

**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.

Travel

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23-8.3. As a result of the procedures performed, no material exceptions were noted, therefore, no additional procedures were deemed necessary to test the propriety of expenditure classification.

- **Finding** – Our audit revealed certain expenditures were not classified and charged to the proper budget line accounts in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public School.

**Recommendation** – Procedures be enhanced to ensure expenditures are charged to the proper budget line accounts in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public Schools.

Board Secretary's Records

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

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

The prescribed contractual order system was followed.

- **Finding (CAFR Finding 2020-001)** – 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Board Secretary's Records (Continued)

**Recommendation** – 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.

Treasurer's Records

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

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

Unemployment Compensation Insurance Trust Fund

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

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

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

- **Finding** – Our audit noted the final expenditure reports for the Federal ESEA grant programs were not in agreement with the District accounting records.

**Recommendation** – Final expenditure reports for the Federal ESEA grant programs be reconciled to and be in agreement with the District's accounting records prior to their submission.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

IDEA Part B and Preschool

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

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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

The amount of expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulates bidding for public school student transportation contracts under NJSA 18A:39-3 is currently \$19,000.

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

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

Based on the results of our examination, we noted instances where individual payments, contracts or agreements were made for the performance of work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, as amended.

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

- **Finding (CAFR Findings 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.

**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 approved in accordance with the requirements of the Public School Contracts Law.

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Food Service**

**COVID – 19 EMERGENCY**

In accordance with the Governor’s Declaration of Emergency pertaining to the COVID 19 Virus all Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

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

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific cost applicable to the emergency operations.

The school food service program was selected as a major federal program.

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

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1 with exception. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating result provision which was met by the FSMC for the current fiscal year.

- **Finding** – Our audit indicated that revenues reported on the Food Service Management Company’s annual operating statement were not in agreement with the District’s financial records. The FSMC original operating statement reported revenues that were \$107,637 higher than the revenues reported in the District’s internal accounting records.

**Recommendation** – Revenues reported by the Food Service Management Company be reconciled with the District’s internal financial accounting records on a monthly basis.

- **Finding** – Our audit indicated a significant increase in unpaid student balances at year end related to the District’s food service program. The balance due to the District at June 30, 2020 is \$264,309, an increase of approximately \$42,000 from the previous year. We noted through inquiry with management that the District implemented procedures during the year to address this issue. Additionally, the District reviewed with the Board attorney the appropriate actions which can be taken to collect these unpaid amounts. Since the District is taking corrective action, no recommendation is deemed warranted at this time.

Cash receipts and bank records were reviewed for timely deposit.

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



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**School Food Service (Continued)**

The cash disbursements records reflected expenditures for program related goods and services with exceptions noted. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

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

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days. The free and reduced price meal policy was reviewed for uniform administration through out the school system. The required verification procedures for free and reduced price applications were completed and available for review.

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

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

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

**Student Body Activities**

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

- **Finding** – Our audit of the Middle School and Summer Program student activity accounts revealed payments for items that do not appear to be for student related type activities.

**Recommendation** – Payments made from the Middle School and Summer School student activity accounts be only for student related type activities.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, related services, bilingual students and low-income. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with exceptions noted. The information that was included on the workpapers was verified with minor exceptions noted. The results of our procedures are presented in the Schedule of Audited Enrollments.

➤ **Finding (CAFR 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.

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

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

The district has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2019-20 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with an immaterial exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts.

**Facilities and Capital Assets**

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

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**Management Suggestions**

- Transaction ledgers maintained for the High School and Middle School student activity accounts be computerized and formally reconciled with the respective bank accounts on a monthly basis.
- Checks disbursed from the Unemployment Trust Fund account include two (2) authorization signatures.

**Follow-up Prior Year Findings**

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
 FOOD SERVICE FUND  
 NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SCHEDULE OF MEAL COUNT ACTIVITY**

<u>Program</u>	<u>Meals/Milks Category</u>	<u>Total Meals/Milks Claimed</u>	<u>Meals/Milks Tested</u>	<u>Meals/Milks Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Under Claim</u>
National School Lunch (Regular Rate)	Paid	86,919	50,218	50,218	-		
	Reduced	31,920	19,295	19,295	-		
	Free	145,345	89,438	89,438	-		
	SSO	112,990	10,661	10,631	(30)	3.50	(105.00)
Breakfast (Severe Rate)	Paid	153,096	88,578	88,578	-		
	Reduced	34,476	20,778	20,778	-		
	Free	148,776	90,945	90,945	-		
	SSO	11,378	10,703	10,703	-		-

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE FUND  
SCHEDULES OF NET CASH RESOURCE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Food Service	
<b><u>Net Cash Resources:</u></b>			
CAFR	*	Current Assets	
B-4		Cash	\$ 190,174
B-4		Intergovernmental Receivables	237,382
B-4		Accounts Receivable	264,307
B-4		Due from Other Funds	72
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(113,826)
B-4		Less Due to Other Funds	0
B-4		Less Unearned Revenue	(17,300)
		Net Cash Resources	\$ 560,809 (A)
<b><u>Net Adj. Total Operating Expense:</u></b>			
B-5		Total Operating Expenses	2,145,825
B-5		Less Depreciation	(8,305)
		Adj. Tot. Oper. Exp.	\$ 2,137,520 (B)
<b><u>Average Monthly Operating Expense:</u></b>			
		B / 10	\$ 213,752 (C)
<b><u>Three times monthly Average Operating Expense:</u></b>			
		3 X C	\$ 641,175 (D)

TOTAL IN BOX A	\$	560,809
LESS TOTAL IN BOX D	\$	(641,175)
NET	\$	(80,366)

Net Cash Resources Did Not Exceed Three Months Expenditures.

**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 Years Old	41		41		-	-	20		20		-	-				
Half Day Preschool 4 Years Old			-		-	-					-	-				
Full Day Preschool 3 Years Old			-		-	-					-	-				
Full Day Preschool 4 Years Old	45		45		-	-	11		11		-	-				
Half Day Kindergarten			-		-	-					-	-				
Full Day Kindergarten	264		269		(5)	-	16		16		-	-				
Grade 1	279		293		(14)	-	72		72		-	-				
Grade 2	264		269		(5)	-	20		20		-	-				
Grade 3	285		298		(13)	-	62		62		-	-				
Grade 4	253		264		(11)	-	40		40		-	-				
Grade 5	272		281		(9)	-	45		45		-	-				
Grade 6	291		303		(12)	-	41		39		2	-				
Grade 7	313		318		(5)	-	318		318		-	-				
Grade 8	256		270		(14)	-	270		270		-	-				
Grade 9	260		261		(1)	-	261		261		-	-				
Grade 10	301		306		(5)	-	306		306		-	-				
Grade 11	299		303		(4)	-	303		303		-	-				
Grade 12	321		322		(1)	-	322		322		-	-				
Post- Graduate					-	-										
Adult High School (15+ Credits)					-	-										
Adult High School (1-14 Credits)					-	-										
Subtotal	3,744	-	3,843	-	(99)	-	2,107	-	2,105	-	2	-				
Sp Ed - Elementary	297		294		3	-	30		30		-	-	10	10	10	-
Sp Ed - Middle School	172		171		1	-	17		17		-	-	17	15	15	-
Sp Ed - High School	183		184	3	(1)	(3)	19		19		-	-	20	20	20	-
Subtotal	652	-	649	3	3	(3)	66	-	66	-	-	-	47	45	45	-
County Vocational - Regular					-	-										
County Vocational - F.T. Post-Second					-	-										
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,396	-	4,492	3	(96)	(3)	2,173	-	2,171	-	2	-	47	45	45	-
Percentage Error					-2.18%	100.00%					0.09%	0.00%	0.00%			0.00%

**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident Low Income			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Half Day Preschool 3 Years Old			-						
Half Day Preschool 4 Years Old			-			-			
Full Day Preschool 3 Years Old			-			-			
Full Day Preschool 4 Years Old			-			-			
Half Day Kindergarten			-			-			
Full Day Kindergarten	125	132	(7)	14	12	2	4	4	-
Grade 1	157	166	(9)	12	12	-	4	4	-
Grade 2	128	147	(19)	20	20	-	6	6	-
Grade 3	152	158	(6)	11	11	-	3	2	1
Grade 4	137	150	(13)	15	15	-	5	5	-
Grade 5	165	179	(14)	15	15	-	4	3	1
Grade 6	188	190	(2)	6	6	-	2	2	-
Grade 7	171	176	(5)	5	5	-	2	2	-
Grade 8	160	170	(10)	10	10	-	3	3	-
Grade 9	125	140	(15)	14	14	-	5	5	-
Grade 10	144	151	(7)	6	6	-	2	2	-
Grade 11	133	150	(17)	14	14	-	4	3	1
Grade 12	159	168	(9)	9	9	-	2	2	-
Post- Graduate			-			-			-
Adult High School (15+ Credits)			-			-			-
Adult High School (1-14 Credits)			-			-			-
Subtotal	1,944	2,077	(133)	151	149	2	46	43	3
Sp Ed - Elementary	168	209	(41)	2	2	-	1	1	-
Sp Ed - Middle School	115	77	38	1	1	-	1	1	-
Sp Ed - High School	114	118	(4)	-	-	-	-	-	-
Subtotal	397	404	(7)	3	3	-	2	2	-
County Vocational - Regular			-			-			-
County Vocational - F.T. Post-Second			-			-			-
Subtotal	-	-	-			-			-
Totals	2,341.0	2,481.0	(140.0)	154	152	2	48	45	3
Percentage Error			<u>-4.96%</u>			<u>1.30%</u>			<u>6.25%</u>

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	151.0	151.0	-	20	20	-
Regular - Special Ed	236.0	235.0	1	23	22	1
Transported - Non Public	-	-	-	-	-	-
Special Needs	62.0	62.0	-	20	20	-
Subtotal	449.0	448.0	1.0	63.0	62.0	1.0
Percentage Error			<u>0.2%</u>			<u>1.6%</u>

**BELLEVILLE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 15, 2019  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected from Workpapers	Verified per Registers On Roll	Sample Errors
Half Day Preschool 3 Years Old						
Half Day Preschool 4 Years Old						
Full Day Preschool 3 Years Old						
Full Day Preschool 4 Years Old						
Half Day Kindergarten						
Full Day Kindergarten	10	10	-	5	5	
Grade 1	9	9	-	4	4	0
Grade 2	11	11	-	5	5	0
Grade 3	12	12	-	6	6	0
Grade 4	2	2	-	1	1	0
Grade 5	4	3	1	1	1	0
Grade 6	3	5	(2)	3	3	0
Grade 7	5	5	-	3	3	0
Grade 8	5	5	-	3	3	0
Grade 9	4	3	1	2	2	0
Grade 10	7	8	(1)	3	3	0
Grade 11	10	10	-	4	4	0
Grade 12	7	7	-	3	3	0
Post- Graduate						
Adult High School (15+ Credits)						
Adult High School (1-14 Credits)						
Subtotal	89	90	(1)	43	43	-
Sp Ed - Elementary	1	1	-	1	1	0
Sp Ed - Middle School	1	-	1	0	0	0
Sp Ed - High School	2	2	-	1	1	0
Subtotal	4	3	1	2	2	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	93	93	-	45	45	-

Percentage Error 0%

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION 1A**

2019-2020 Total General Fund Expenditures per the CAFR	\$ 84,309,552	
Decreased by:		
On-Behalf TPAF Pension & Social Security	11,195,857	
Assets Acquired Under Capital Lease	<u>678,725</u>	
Adjusted 2019-2020 General Fund Expenditures	<u>\$ 72,434,970</u>	
1.5% of Adjusted 2019-2020 General Fund Expenditures	\$ 1,086,525	
Increased by:		
Allowable Adjustment - Extraordinary Aid	<u>200,745</u>	
Maximum Unassigned Fund Balance		\$ 1,287,270

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2020	\$ 7,026,073	
Decreased by:		
Year End Encumbrances	\$ 275,813	
Capital Reserve	3,908,680	
Maintenance Reserve	833,315	
Designated for Subsequent Year's Expenditures	<u>720,995</u>	
	<u>5,738,803</u>	
Total Unassigned Fund Balance		<u>1,287,270</u>

**SECTION 3**

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



**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RECOMMENDATIONS**

**I. Administration Practices and Procedures**

There are none.

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

It is recommended that:

1. 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.
2. Procedures be enhanced to ensure expenditures are charged to the proper budget line accounts in accordance with The Minimum Chart of Accounts for New Jersey Public Schools.
3. Internal control procedures be reviewed and revised to ensure accounts payable and encumbrance reports are reconciled to the general ledger account balances on a monthly basis and reviewed for accuracy.
4. Final expenditure reports for the Federal ESEA grant programs be reconciled to and be in agreement with the District's accounting records prior to their submission.

**III. School Purchasing Program**

- \* It is recommended that 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 approved in accordance with the requirements of the Public School Contracts Law.

**IV. School Food Service**

- \* It is recommended that revenues reported by the Food Service Management Company be reconciled with the District's internal financial accounting records on a monthly basis.

**V. Student Body Activities**

It is recommended that payments made from the Middle School and Summer School student activity accounts be only for student related type activities.

**VI. Application for State School Aid**

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

**VIII. Pupil Transportation**

There are none.

**IX. Facilities and Capital Assets**

There are none.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT  
RECOMMENDATIONS**

**X. Miscellaneous**

There are none.

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

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

**ACKNOWLEDGEMENT**

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

Respectfully submitted,  
LERCH, VINCI & HIGGINS, LLP



Jeffrey C. Bliss  
Public School Accountant  
Certified Public Accountant