

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Belleville, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Belleville Township School District

Belleville, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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INTRODUCTORY SECTION



BELLEVILLE PUBLIC SCHOOLS

Office of the Business Administrator / Board Secretary

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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 29, 2022

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, 2021 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 2020/2021 fiscal year with an enrollment of 4,515 students, which is (0.01%) less than previous year's enrollment. The district's student enrollment over the last two years is 4,551 students in 2019-2020 and 4,492 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 six 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 (e.g., Chromebooks, interactive TVs, and XP Pens). As such, we continue to be a 1:1 technology district, supplying all students across the PK-12 spectrum with devices. 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 (STAR Renaissance) 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; co-teaching professional development sessions; new teacher induction program meetings and workshops; data analysis with district stakeholders (building administrators, teachers, and district administrators). Coaches also continue to turnkey project leads such as the continued efforts to revisit the elementary *Wonders* ELA program to better support reading and writing. To complement any such academic elementary initiatives, all elementary schools have 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, GradPoint, 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 has been expanded to use 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 Work Based Learning (WBL) programs to introduce students into the

workforce. The district also has a mentoring coordinator to help place students with local professionals to complete internships.

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, 2021. 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, 2021.

The district submitted a Corrective Action Plan to the Executive County Superintendent dated April 7, 2021 regarding findings from the 2019-20 audit. The plan included areas of financial accounting; school purchasing practices; student activities; school food service; ASSA, pupil transportation and the 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 2020-21 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, 2021:

<u>Revenues</u>	<u>Amount</u>	<u>% of Total</u>
Local	\$42,872,098	47.88%
State Sources	46,411,743	51.83%
Federal Sources	<u>259,167</u>	<u>0.29%</u>
Total	<u>\$89,543,008</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, 2021:

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expenditures:		
Instruction	\$51,052,664	58.39%
Support Services	32,502,984	37.18%
Capital Outlay	1,931,810	2.21%
Debt Service	<u>1,939,832</u>	<u>2.22%</u>
Total Expenditures	<u>\$ 87,427,290</u>	<u>100.0%</u>

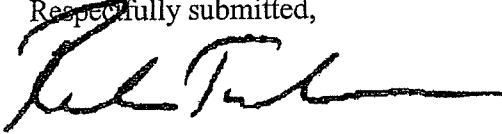
8. DEBT ADMINISTRATION: On June 30, 2021 the District had \$44,640,000 in serial bonds. The District issued serial bonds in March 2018 to finance the 2017 referendum projects. The district also has outstanding capital leases totaling \$3,893,235 at June 30, 2021.

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.

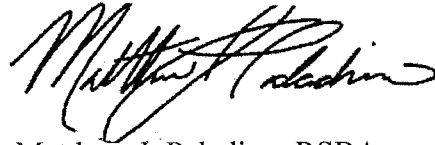
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds

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,



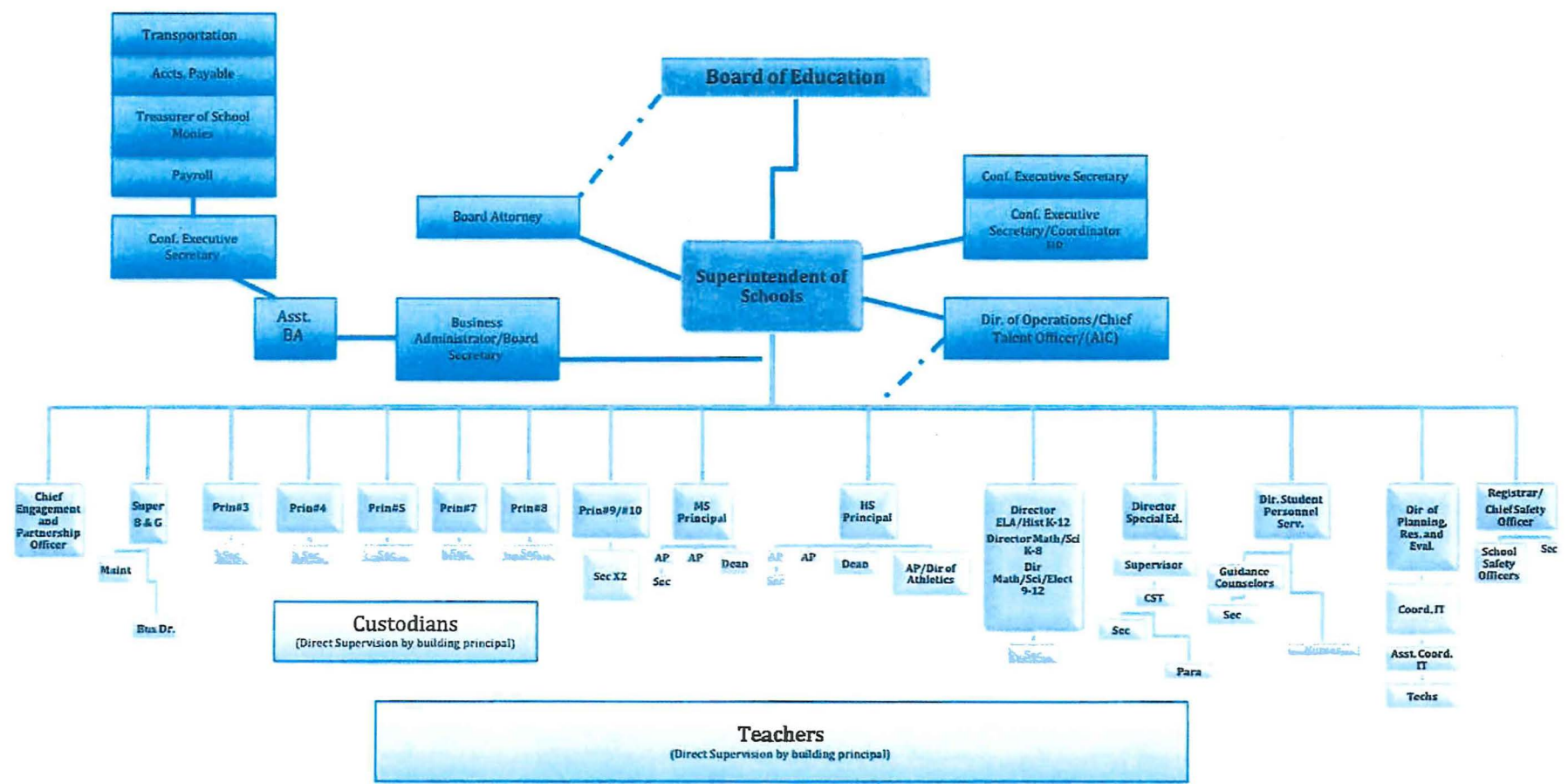
Dr. Richard D. Tomko, Ph.D., M.J.
Superintendent of Schools



Matthew J. Paladino, RSBA
Business Administrator/Board Secretary

POLICY 1110 Organizational Chart

T.A.



BELLEVILLE TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2021

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	2023
Luis Muniz	2022
Ralph Tunis	2022
Frank Velez	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, 2021

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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Belleville Township School District
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 Township School District, as of and for the fiscal year ended June 30, 2021 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 Township School District as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Belleville Township School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

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 Township School District's basic financial statements. The introductory section, 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 Township School District.

The 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 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.

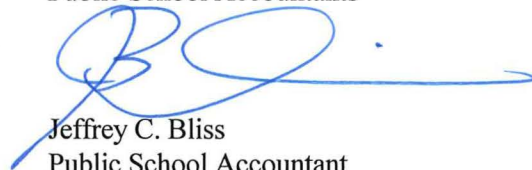
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2022 on our consideration of the Belleville Township School District'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 Township School District'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 Township School District'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 29, 2022

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

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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, 2021. 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 2020-2021 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 \$1,464,688.
- The District's total net position increased by \$6,981,830 or 83%.
- Overall District revenues were \$113,906,499. General revenues accounted for \$71,543,254 or 63% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$42,363,245 or 37% of total revenues.
- The school district had \$104,628,864 in expenses for governmental activities; only \$38,775,304 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted state) of \$71,542,836 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 \$8,797,100. Of this amount, \$8,277,570 is restricted for capital projects, \$1,000,000 is restricted for required maintenance projects, \$204,292 is restricted for unemployment, \$144,090 is restricted for student activities, \$1,323,947 is assigned to year end encumbrances, \$473,994 is assigned and designated for subsequent year's expenditures, \$15,196 is assigned for FFCRA/SEMI, and the remaining amount is the unassigned fund deficit of \$2,641,989.
- The General Fund fund balance at June 30, 2021 was \$5,670,466 an increase of \$2,321,206 compared to the ending fund balance at June 30, 2020 of \$3,349,260.
- The General Fund budgetary fund balance at June 30, 2021 was \$9,676,376, which represents an increase of \$2,604,078 compared to the ending budgetary fund balance at June 30, 2020 of \$7,072,298.
- The District's governmental activities capital assets, net increased by \$15,870,921 during the current fiscal year.
- The District's governmental activities long-term liabilities decreased by \$3,035,640 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

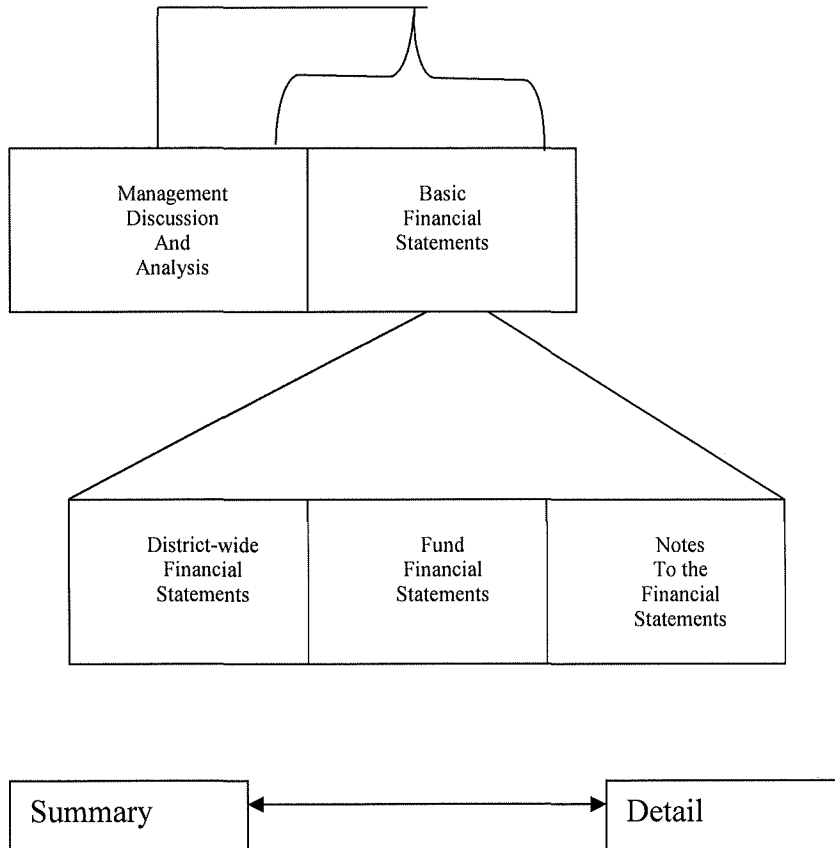
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

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*.

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, 2021

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
Scope	Entire district	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
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
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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 thereafter; 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
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.

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, 2021

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 two 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.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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 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 \$1,464,688 on June 30, 2021 and \$8,446,518 on June 30, 2020 as follows:

Net Position As of June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 15,991,577	\$ 28,694,122	\$ 2,115,866	\$ 730,441	\$ 18,107,443	\$ 29,424,563
Capital Assets	57,890,176	42,019,255	33,190	34,198	57,923,366	42,053,453
Total Assets	<u>73,881,753</u>	<u>70,713,377</u>	<u>2,149,056</u>	<u>764,639</u>	<u>76,030,809</u>	<u>71,478,016</u>
Deferred Outflows of Resources	<u>1,616,710</u>	<u>1,816,180</u>	<u>-</u>	<u>-</u>	<u>1,616,710</u>	<u>1,816,180</u>
Liabilities						
Long-Term Liabilities	65,479,087	68,514,727			65,479,087	68,514,727
Other Liabilities	7,524,570	6,898,147	220,706	131,126	7,745,276	7,029,273
Total Liabilities	<u>73,003,657</u>	<u>75,412,874</u>	<u>220,706</u>	<u>131,126</u>	<u>73,224,363</u>	<u>75,544,000</u>
Deferred Inflows of Resources	<u>5,872,962</u>	<u>6,184,115</u>	<u>14,882</u>	<u>12,599</u>	<u>5,887,844</u>	<u>6,196,714</u>
Net Position						
Net Investment in Capital Assets	12,289,062	10,217,537	33,190	34,198	12,322,252	10,251,735
Restricted	6,429,106	4,930,274			6,429,106	676,149
Unrestricted	<u>(22,096,324)</u>	<u>(24,215,243)</u>	<u>1,880,278</u>	<u>586,716</u>	<u>(20,216,046)</u>	<u>(23,628,527)</u>
Total Net Position	<u>\$ (3,378,156)</u>	<u>\$ (9,067,432)</u>	<u>\$ 1,913,468</u>	<u>\$ 620,914</u>	<u>\$ (1,464,688)</u>	<u>\$ (8,446,518)</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, 2021

The District's deficit in total net position of \$1,464,688 at June 30, 2021 represents a \$6,981,830 or an 83% increase in net position from the prior year deficit of \$8,446,518. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020.

Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services and Sales	\$ 123,046	\$ 40,644	\$ -	\$ 454,073	\$ 123,046	\$ 494,717
Operating Grants and Contributions	38,404,754	25,298,745	3,587,941	1,951,230	41,992,695	27,249,975
Capital Grants and Contributions	247,504	64,958			247,504	64,958
General Revenues						
Property Taxes	44,269,221	42,846,456			44,269,221	42,846,456
Unrestricted State Aid	26,533,832	26,564,905			26,533,832	26,564,905
Miscellaneous Income	739,783	813,070	418	3,609	740,201	816,679
Total Revenues	110,318,140	95,628,778	3,588,359	2,408,912	113,906,499	98,037,690
Expenses						
Instruction						
Regular	46,089,278	37,537,094			46,089,278	37,537,094
Special Education	13,790,800	14,581,653			13,790,800	14,581,653
Other Instruction	2,004,370	3,543,388			2,004,370	3,543,388
School Sponsored Activities and Athletics	1,390,185	1,298,940			1,390,185	1,298,940
Support Services						
Student and Instruction Related Services	14,567,413	10,575,755			14,567,413	10,575,755
General Administrative Services	2,086,359	2,000,525			2,086,359	2,000,525
School Administrative Services	7,968,182	7,012,283			7,968,182	7,012,283
Central Administrative Services	2,891,109	2,128,628			2,891,109	2,128,628
Plant Operations and Maintenance	9,050,672	8,221,959			9,050,672	8,221,959
Pupil Transportation	3,028,888	4,057,620			3,028,888	4,057,620
Interest on Long-Term Debt	1,761,608	1,740,526			1,761,608	1,740,526
Food Services	-	-	2,295,805	2,145,825	2,295,805	2,145,825
Total Expenses	104,628,864	92,698,371	2,295,805	2,145,825	106,924,669	94,844,196
Increase (Decrease) in Net Position	5,689,276	2,930,407	1,292,554	263,087	6,981,830	3,193,494
Net Position, Beginning of Year	(9,067,432)	(10,954,228)	620,914	357,827	(8,446,518)	(10,596,401)
Prior Period Adjustment	-	(1,043,611)	-	-	-	(1,043,611)
Net Position, End of Year	\$ (3,378,156)	\$ (9,067,432)	\$ 1,913,468	\$ 620,914	\$ (1,464,688)	\$ (8,446,518)

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

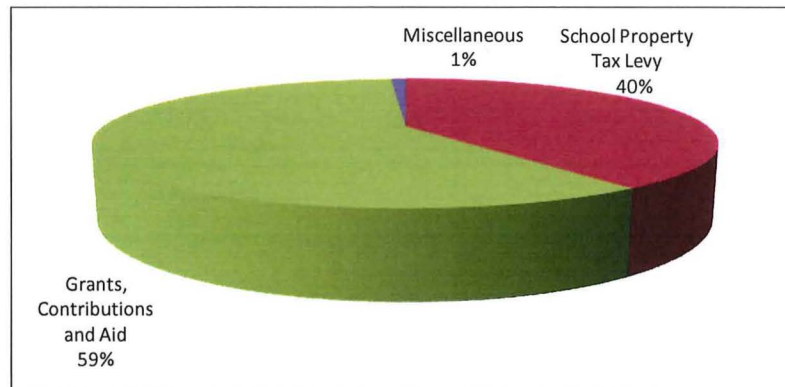
Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$110,318,140 for the fiscal year ended June 30, 2021. Property taxes of \$44,269,221 represented 40% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$65,186,090 or 59% 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.

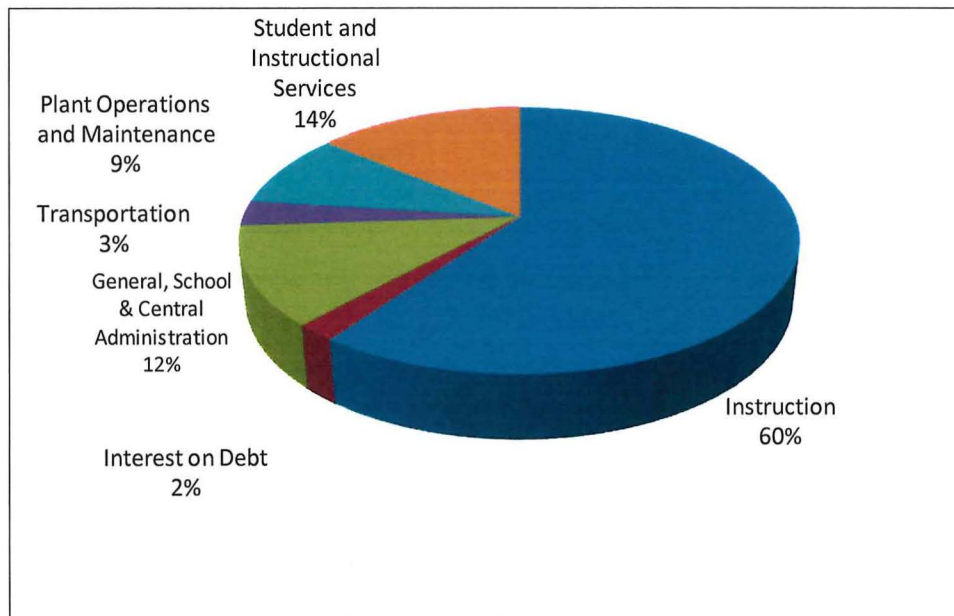
The total cost of all governmental activities programs and services was \$104,628,864 for the fiscal year ended June 30, 2021. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$63,274,633 (60%) of total expenses. Support services costs were \$39,592,623 (38%) of total expenses and interest on debt totaled \$1,761,608 (2%) of total expenses.

For fiscal year 2021, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$5,689,276 from the previous year's balance.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2021**



**Expenses by Type-Governmental Activities
For Fiscal Year 2021**



BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Net Cost of Governmental Activities. The District's total cost of services was \$104,628,864. After applying program revenues, derived from operating and capital grants and contributions of \$38,652,258 and charges for services of \$123,046, the net cost of services of the District was \$65,853,560 for the fiscal year ended June 30, 2021.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction:				
Regular	\$ 46,089,278	\$ 37,537,094	\$ 25,868,479	\$ 28,497,283
Special Education	13,790,800	14,581,653	8,976,457	7,802,669
Other Instruction	2,004,370	3,543,388	1,339,766	2,741,738
School Sponsored Activities and Athletics	1,390,185	1,298,940	927,114	1,055,364
Support Services:				
Student & Instruction Related Services	14,567,413	10,575,755	8,307,014	8,255,932
General Administrative Services	2,086,359	2,000,525	1,904,620	1,802,332
School Administrative Services	7,968,182	7,012,283	5,767,381	5,585,607
Central Administrative Services	2,891,109	2,128,628	2,641,343	1,893,701
Plant Operations and Maintenance	9,050,672	8,221,959	6,789,259	5,658,052
Pupil Transportation	3,028,888	4,057,620	2,208,069	3,174,410
Interest on Long Term Debt	<u>1,761,608</u>	<u>1,740,526</u>	<u>1,124,058</u>	<u>826,936</u>
Total	<u>\$ 104,628,864</u>	<u>\$ 92,698,371</u>	<u>\$ 65,853,560</u>	<u>\$ 67,294,024</u>

Business-Type Activities – The District business-type activities relate entirely to the Food Service operations which provides cafeteria services to the District students and employees. The District's total business-type activities revenues were \$3,588,359 for the fiscal year ended June 30, 2021. Operating grants and contributions of \$3,587,941 accounted for 100% of total revenues. Miscellaneous income represented less than one percent.

Total cost of all business-type activities programs and services was \$2,295,805 for the fiscal year ended June 30, 2021.

For fiscal year 2021, total business-type activities revenues exceeded expenses, increasing net position by \$620,914 or 208% compared to the previous year.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

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 \$8,797,100 at June 30, 2021, a decrease of \$13,606,520 from last year's fund balance of \$22,403,620. 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 \$101,117,293, while total expenditures were \$115,421,847 for the fiscal year ended June 30, 2021. In addition, other financing sources of \$698,034 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.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources:				
Property Tax Levy	\$ 42,473,162	\$ 40,954,080	\$ 1,519,082	4%
Tuition and Transportation	39,334	40,644	(1,310)	-3%
Miscellaneous	359,602	148,661	210,941	142%
State Sources	46,411,743	42,152,412	4,259,331	10%
Federal Sources	<u>259,167</u>	<u>229,423</u>	<u>29,744</u>	13%
Total General Fund Revenues	<u>\$ 89,543,008</u>	<u>\$ 83,525,220</u>	<u>\$ 6,017,788</u>	7%

For fiscal year 2021, total General Fund revenues increased \$6,017,788 or 7% from the previous year. Property taxes increased \$1,519,082 or 4% to support increases in budgeted operating costs. Revenues from tuition and transportation decreased 3% primarily due to a decline in out of district student enrollment. Revenues from miscellaneous local sources increased 142% mainly due to prior year refunds and E-Rate reimbursements. As indicated, State aid increased 10% mainly attributable to on behalf pension and post-retirement medical benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 51,052,664	\$ 50,783,236	\$ 269,428	1%
Support Services	32,502,984	31,024,661	1,478,323	5%
Debt Service	1,939,832	1,135,622	804,210	71%
Capital Outlay	<u>1,931,810</u>	<u>1,366,033</u>	<u>565,777</u>	41%
Total Expenditures	<u>\$ 87,427,290</u>	<u>\$ 84,309,552</u>	<u>\$ 3,117,738</u>	4%

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

GENERAL FUND (Continued)

For fiscal year 2021, total General Fund expenditures increased \$3,117,738 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 plant operation and maintenance were offset by reductions in special education instruction costs and pupil transportation support service costs in the current year. Debt service expenditures increased 71% as a result of the repayment of the first installment of a \$3.2 million capital lease issued in the prior year for various District capital improvements. Also a significant increase of \$565,777 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 2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2,321,706. Therefore, the total fund balance increased to \$5,670,466 at June 30, 2021. After deducting restricted, committed and assigned fund balances, the unassigned fund deficit decreased from \$2,435,768 at June 30, 2020 to \$2,425,035 at June 30, 2021. In addition, total restricted fund balances increased \$1,494,144 to \$6,282,364 at June 30, 2021.

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 2021 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$2,604,078 from the previous year. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$293,605, from a balance of \$1,287,270 at June 30, 2020 to a balance of \$1,580,875 at June 30, 2021. In addition, the District increased its restricted fund balance for capital reserve by \$1,169,392 to \$5,078,072 at June 30, 2021, and maintenance reserve by \$166,685 to \$1,000,000 at June 30, 2021.

CAPITAL ASSETS

At the end of fiscal year 2021, the District had \$57,890,176 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$33,190 for business type activities. The following is a comparison of the June 30, 2021 and 2020 balances:

Capital Assets (Net of Accumulated Depreciation) at June 30, 2021 and 2020						
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 596,288	\$ 225,057			\$ 596,288	\$ 225,057
Construction in Progress	4,949,916	11,430,861			4,949,916	11,430,861
Land Improvements	667,215	702,970			667,215	702,970
Buildings and Improvements	50,703,378	28,561,445			50,703,378	28,561,445
Furniture, Equipment and Vehicles	973,379	1,098,922	\$ 33,190	\$ 34,198	1,006,569	1,133,120
Total Capital Assets, Net	<u>\$ 57,890,176</u>	<u>\$ 42,019,255</u>	<u>\$ 33,190</u>	<u>\$ 34,198</u>	<u>\$ 57,923,366</u>	<u>\$ 42,053,453</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, 2021

LONG TERM LIABILITIES

At June 30, 2021 the District had \$65,479,087 of total outstanding long-term liabilities for governmental activities. Of this amount, \$44,640,000 is for bonds payable, \$4,157,960 is for capital leases, \$3,473,472 is for compensated absences, \$1,664,968 is for the state aid advance loan payable and \$11,542,687 is for the District’s net pension liability. The following is a comparison of the June 30, 2021 and 2020 balances:

**Outstanding Long-Term Liabilities
as of June 30, 2021 and 2020**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Bonds Payable	\$ 44,640,000	\$ 46,010,000
Capital Leases/Lease Purchases, net	4,157,960	5,087,530
Compensated Absences	3,473,472	3,073,057
State Aid Advance Loan Payable	1,664,968	2,081,211
Net Pension Liability	<u>11,542,687</u>	<u>12,262,929</u>
Total	<u>\$ 65,479,087</u>	<u>\$ 68,514,727</u>

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 2020-2021 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 2021-2022. Budgeted expenditures in the General Fund increased approximately 5% to \$80,927,165 for fiscal year 2021-2022. 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, 56 Ralph Street., Belleville, NJ 07109.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,268,121	\$ 1,583,842	\$ 8,851,963
Investments	4,325,807		4,325,807
Receivables, Net	3,571,612	494,877	4,066,489
Internal Balances	27	(27)	
Inventory		37,174	37,174
Restricted Assets			
Cash and Cash Equivalents with Fiscal Agent	826,010		826,010
Capital Assets, Not Being Depreciated	5,546,204		5,546,204
Capital Assets, Being Depreciated, Net	<u>52,343,972</u>	<u>33,190</u>	<u>52,377,162</u>
Total Assets	<u>73,881,753</u>	<u>2,149,056</u>	<u>76,030,809</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,616,710</u>	-	<u>1,616,710</u>
Total Deferred Outflows of Resources	<u>1,616,710</u>	-	<u>1,616,710</u>
Total Assets and Deferred Outflows of Resources	<u>75,498,463</u>	<u>2,149,056</u>	<u>77,647,519</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	5,120,515	204,694	5,325,209
Payable to Other Governments	74,537		74,537
Accrued Interest Payable	607,484		607,484
Unearned Revenue	1,722,034	16,012	1,738,046
Noncurrent Liabilities			
Due Within One Year	3,148,491		3,148,491
Due Beyond One Year	<u>62,330,596</u>	-	<u>62,330,596</u>
Total Liabilities	<u>73,003,657</u>	<u>220,706</u>	<u>73,224,363</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	5,872,962		5,872,962
Deferred Commodities Revenue	<u>-</u>	<u>14,882</u>	<u>14,882</u>
Total Deferred Inflows of Resources	<u>5,872,962</u>	<u>14,882</u>	<u>5,887,844</u>
Total Liabilities and Deferred Inflows of Resources	<u>78,876,619</u>	<u>235,588</u>	<u>79,112,207</u>
NET POSITION			
Net Investment in Capital Assets	12,289,062	33,190	12,322,252
Restricted for:			
Capital Projects	5,080,724		5,080,724
Plant Maintenance	1,000,000		1,000,000
Unemployment Compensation	204,292		204,292
Student Activities	144,090		144,090
Unrestricted	<u>(22,096,324)</u>	<u>1,880,278</u>	<u>(20,216,046)</u>
	<u>\$ (3,378,156)</u>	<u>\$ 1,913,468</u>	<u>\$ (1,464,688)</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, 2021**

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	\$ 46,089,278	\$ -	\$ 20,085,215	\$ 135,584	\$ (25,868,479)		\$ (25,868,479)
Special Education	13,790,800	39,334	4,770,533	4,476	(8,976,457)		(8,976,457)
Other Instruction	2,004,370		664,604		(1,339,766)		(1,339,766)
School Sponsored Activities and Athletics	1,390,185	83,712	379,359		(927,114)		(927,114)
Support Services:							
Student & Instruction Related Services	14,567,413		6,255,010	5,389	(8,307,014)		(8,307,014)
General Administrative Services	2,086,359		181,739		(1,904,620)		(1,904,620)
School Administrative Services	7,968,182		2,200,801		(5,767,381)		(5,767,381)
Central Administrative Services	2,891,109		249,766		(2,641,343)		(2,641,343)
Plant Operations and Maintenance	9,050,672		2,159,358	102,055	(6,789,259)		(6,789,259)
Pupil Transportation	3,028,888	-	820,819		(2,208,069)		(2,208,069)
Interest on Long Term Debt	1,761,608	-	637,550	-	(1,124,058)	-	(1,124,058)
Total Governmental Activities	104,628,864	123,046	38,404,754	247,504	(65,853,560)	-	(65,853,560)
Business-Type Activities:							
Food Service	2,295,805	-	3,587,941	-	-	\$ 1,292,136	1,292,136
Total Business-Type Activities	2,295,805	-	3,587,941	-	-	1,292,136	1,292,136
Total Primary Government	\$ 106,924,669	\$ 123,046	\$ 41,992,695	\$ 247,504	(65,853,560)	1,292,136	(64,561,424)

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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, 2021

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 42,473,162		\$ 42,473,162
Levied for Debt Service	1,796,059		1,796,059
Unrestricted State Aid	25,990,341		25,990,341
State Aid for Debt Service Principal	543,491		543,491
Miscellaneous Income	<u>739,783</u>	<u>\$ 418</u>	<u>740,201</u>
 Total General Revenues	<u>71,542,836</u>	<u>418</u>	<u>71,543,254</u>
 Change in Net Position	5,689,276	1,292,554	6,981,830
Net Position, Beginning of Year	<u>(9,067,432)</u>	<u>620,914</u>	<u>(8,446,518)</u>
Net Position, End of Year	<u>\$ (3,378,156)</u>	<u>\$ 1,913,468</u>	<u>\$ (1,464,688)</u>

FUND FINANCIAL STATEMENTS

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,831,530	\$ 144,090			\$ 6,975,620
Investments			4,325,807		4,325,807
Receivables From Other Governments	385,394	2,975,258			3,360,652
Other Receivables	184,630	26,330			210,960
Due from Other Funds	1,768,400				1,768,400
Restricted Assets					
Cash and Investments with Fiscal Agent	-	-	826,010	-	826,010
Total Assets	<u>\$ 9,169,954</u>	<u>\$ 3,145,678</u>	<u>\$ 5,151,817</u>	<u>\$ -</u>	<u>\$ 17,467,449</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,194,978	\$ 383,430	\$ 1,222,487		\$ 3,800,895
Accrued Salaries and Wages	89,235				89,235
Payroll Deductions and Withholdings Payable	437,809				437,809
Employee Deposits Payable	709,447				709,447
Payable to State Government		71,994			71,994
Payable to Federal Government		2,543			2,543
Other Liabilities	68,019				68,019
Due to Other Funds		1,038,541	729,832		1,768,373
Unearned Revenue	-	1,722,034	-	-	1,722,034
Total Liabilities	<u>3,499,488</u>	<u>3,218,542</u>	<u>1,952,319</u>	<u>-</u>	<u>8,670,349</u>
Fund Balances (Deficits)					
Restricted					
Capital Reserve	4,328,072				4,328,072
Capital Reserve - Designated for Subsequent Year's Expenditures	750,000				750,000
Maintenance Reserve	1,000,000				1,000,000
Unemployment Compensation Reserve	204,292				204,292
Student Activities		144,090			144,090
Capital Projects			3,199,498		3,199,498
Assigned					
Year End Encumbrances	1,323,947				1,323,947
FFCRA/SEMI	15,196				15,196
Designated for Subsequent Year's Expenditures	473,994				473,994
Unassigned	(2,425,035)	(216,954)	-	-	(2,641,989)
Total Fund Balances (Deficits)	<u>5,670,466</u>	<u>(72,864)</u>	<u>3,199,498</u>	<u>-</u>	<u>8,797,100</u>
Total Liabilities and Fund Balances	<u>\$ 9,169,954</u>	<u>\$ 3,145,678</u>	<u>\$ 5,151,817</u>	<u>\$ -</u>	<u>\$ 17,467,449</u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$ 8,797,100
<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 \$79,096,344 and the accumulated depreciation is \$21,206,168.</p>		
		57,890,176
<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	\$ 1,616,710	
Deferred Inflows of Resources	<u>(5,872,962)</u>	(4,256,252)
<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>		
		(607,484)
<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	(44,640,000)	
Capital Leases (including unamortized premium)	(4,157,960)	
State Aid Advance Loan Payable	(1,664,968)	
Compensated Absences	(3,473,472)	
Net Pension Liability	<u>(11,542,687)</u>	(65,479,087)
<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>277,391</u>
Net Position of Governmental Activities (Exhibit A-1)		<u>\$ (3,378,156)</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Property Tax Levy	\$ 42,473,162			\$ 1,796,059	\$ 44,269,221
Tuition	39,334				39,334
Miscellaneous	359,602	\$ 127,051	\$ 8,085	-	494,738
Total - Local Sources	42,872,098	127,051	8,085	1,796,059	44,803,293
State Sources	46,411,743	3,626,898		1,181,041	51,219,682
Federal Sources	259,167	4,835,151	-	-	5,094,318
Total Revenues	89,543,008	8,589,100	8,085	2,977,100	101,117,293
EXPENDITURES					
Instruction					
Regular	36,558,757	4,556,368			41,115,125
Special Education	11,583,927	1,126,039			12,709,966
Other Instruction	1,738,755	32,697			1,771,452
School Sponsored Activities and Athletics	1,171,225	79,024			1,250,249
Support Services					
Student and Instruction Related Services	10,531,348	2,867,007			13,398,355
General Administrative Services	2,004,391	-			2,004,391
School Administrative Services	7,166,157				7,166,157
Central Administrative Services	2,808,279				2,808,279
Plant Operations and Maintenance	7,082,896	-			7,082,896
Pupil Transportation	2,909,913				2,909,913
Debt Service					
Principal	1,694,456	295,648		1,370,000	3,360,104
Interest	245,376	9,033		1,607,100	1,861,509
Capital Outlay	1,931,810	247,504	15,804,137	-	17,983,451
Total Expenditures	87,427,290	9,213,320	15,804,137	2,977,100	115,421,847
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	2,115,718	(624,220)	(15,796,052)	-	(14,304,554)
OTHER FINANCING SOURCES(USES)					
Capital Lease Proceeds	698,034				698,034
Transfers In	7,266	499,812			507,078
Transfers Out	(499,812)	-	(7,266)	-	(507,078)
Total Other Financing Sources(Uses)	205,488	499,812	(7,266)	-	698,034
Net Change in Fund Balances	2,321,206	(124,408)	(15,803,318)	-	(13,606,520)
Fund Balance, Beginning of Year	3,349,260	51,544	19,002,816	-	22,403,620
Fund Balance (Deficit), End of Year	\$ 5,670,466	\$ (72,864)	\$ 3,199,498	\$ -	\$ 8,797,100

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, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (13,606,520)**

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	\$ 17,983,451	
Depreciation Expense	<u>(2,103,030)</u>	
		15,880,421

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals donations) is to increase net position. These transactions are not reported in the governmental fund financial statements.

Loss on Disposal of Capital Assets		(9,500)
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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		(698,034)
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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	1,370,000	
Capital Lease Principal	1,278,213	
Lease-Purchase Agreement Principal	295,648	
State Aid Advance Loan Payable	<u>416,243</u>	
		3,360,104

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.

Amortization of Premium		53,743
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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. (+)

		46,158
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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	(400,415)	
Net Decrease in Pension Expense	<u>831,925</u>	
		431,510

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.

231,394

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 5,689,276**

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise Fund	Internal Service Fund Worker's Compensation Self-Insurance Fund
	Food Service	
ASSETS		
Cash and Cash Equivalents	\$ 1,583,842	\$ 292,501
Intergovernmental Receivable	309,591	
Other Accounts Receivable	185,286	
Due from Other Fund	-	
Inventories	37,174	-
	<hr/>	<hr/>
Total Current Assets	2,115,893	292,501
Capital Assets		
Equipment	775,151	
Accumulated Depreciation	(741,961)	-
	<hr/>	<hr/>
Total Capital Assets, Net	33,190	-
	<hr/>	<hr/>
Total Assets	2,149,083	292,501
LIABILITIES		
Current Liabilities		
Accounts Payable	204,694	
Due To Other Funds	27	-
Claims and Judgements Payable		11,243
Accrued Liability for Insurance Claims		3,867
Unearned Revenue	16,012	-
	<hr/>	<hr/>
Total Current Liabilities	220,733	15,110
DEFERRED INFLOWS OF RESOURCES		
Deferred Commodities Revenue	14,882	-
	<hr/>	<hr/>
Total Liabilities and Deferred Inflows of Resources	235,615	15,110
NET POSITION		
Investment in Capital Assets	33,190	
Unrestricted	1,880,278	277,391
	<hr/>	<hr/>
Total Net Position	\$ 1,913,468	\$ 277,391

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, 2021**

	Business-Type Activities Enterprise Fund	Internal Service Fund
	Food Service	Worker's Compensation Self-Insurance Fund
OPERATING REVENUES		
Local Sources		
Miscellaneous Revenue	-	\$ 371,976
	-	371,976
Total Operating Revenues	-	371,976
OPERATING EXPENSES		
Salaries and Employee Benefits	929,160	
Cost of Sales - Reimbursable Programs	1,086,406	
Cost of Sales - Non-Reimbursable Programs	-	
Repairs & Maintenance	15,690	
Supplies and Materials	57,243	
Other Purchased Services	47,031	
Insurance	16,948	
Management Fee	67,910	
Miscellaneous Expense	20,692	
Worker's Compensation Claims		140,702
Bad Debt Expense	46,317	
Depreciation	8,408	-
	2,295,805	140,702
Total Operating Expenses	2,295,805	140,702
Operating Income (Loss)	(2,295,805)	231,274
Nonoperating Revenues		
State Sources		
State School Lunch Program	5,881	
Federal Sources		
Food Distribution Program (USDA Commodities)	185,730	
Summer Food Service Program	3,385,841	
Emergency Operational Cost Program	7,426	
Pandemic EBT Administrative Costs	3,063	
Interest Earnings	418	120
	3,588,359	120
Total Nonoperating Revenues	3,588,359	120
Changes in Net Position	1,292,554	231,394
Total Net Position, Beginning of Year	620,914	45,997
Total Net Position, End of Year	\$ 1,913,468	\$ 277,391

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, 2021**

	Business-Type Activities Enterprise Fund	Internal Service Fund Worker's Compensation Self-Insurance Fund
	Food Service	
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 31,416	\$ 371,976
Cash Payments for Employees Salaries and Benefits	(929,160)	
Cash Payments to Suppliers for Goods and Services	(1,031,707)	(218,851)
Net Cash Provided by (Used for) Operating Activities	<u>(1,929,451)</u>	<u>153,125</u>
Cash Flows from Noncapital Financing Activities		
Cash Received from Other Funds	99	
Cash Received from State and Federal Subsidy Reimbursements	3,330,002	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>3,330,101</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(7,400)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(7,400)</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest Earnings Received	418	120
Net Cash Provided by Investing Activities	<u>418</u>	<u>120</u>
Net Increase in Cash and Cash Equivalents	1,393,668	153,245
Cash and Cash Equivalents, Beginning of Year	190,174	139,256
Cash and Cash Equivalents, End of Year	<u>\$ 1,583,842</u>	<u>\$ 292,501</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ (2,295,805)	\$ 231,274
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	8,408	
Non-Cash Federal Assistance-Food Distribution Program	185,730	
Change in Assets, Liabilities and Deferred Inflows of Resources		
(Increase)/Decrease in Accounts Receivable	79,021	
(Increase)/Decrease in Inventory	1,332	
Increase/(Decrease) in Accounts Payable	90,868	
Increase/(Decrease) in Claims and Judgements Payable		(71,887)
Increase/(Decrease) in Accrued Liability for Insurance Claims		(6,262)
Increase/(Decrease) in Unearned Revenue	(1,288)	
Increase/(Decrease) in Deferred Commodities Revenue	2,283	-
Total Adjustments	<u>366,354</u>	<u>(78,149)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (1,929,451)</u>	<u>\$ 153,125</u>
Non-Cash Invest, Capital and Financing Activities:		
Value Received - Food Distribution Program	\$ 188,013	

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

NOTES TO THE FINANCIAL STATEMENTS /

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Belleville Township School District (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 Township School District 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

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. 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. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- 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 TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. Currently the District has no fiduciary funds.

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 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 TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 and student activity funds derived from athletic events or other activities of pupil organizations.

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 funds which are 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 District's self-insured worker's compensation program coverages provided to other departments or agencies of the District, or to other Boards of Education, on a cost reimbursement basis.

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.

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. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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 lease agreements for capital projects.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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	10-20
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 qualify 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.

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 of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. The first 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 fund 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. Debt payable is reported with the unamortized debt premium. Bond 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 debt 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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 management 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.

FFCRA/SEMI - Represents fund balance assigned specifically for the Family First Coronavirus Response Act in the General Fund that was not appropriated in the 2020/2021 school year. These funds are available for appropriation in subsequent year's budgets.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

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 (special revenue, 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.

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 1st 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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 2019-2020 and 2020-2021 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 government'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.

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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$9,637,819. The increase was funded by the additional appropriation of capital reserve, grant awards, student activity revenues 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.

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			
Administration Information Technology			
Purchased Technical Services	\$621,749	\$1,008,043	(\$386,294)
Required Maintenance for School Supplies			
General Supplies	634,417	666,935	(32,518)

The above variances were offset with other available resources.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,425,035 in the General Fund and \$216,954 in the Special Revenue Fund as of June 30, 2021 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 2020/2021 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 GAAP (fund) financial statements of \$2,425,035 in the General Fund and \$216,954 in the Special Revenue Fund are equal to or less than the delayed state aid payments at June 30, 2021.

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.

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 3,908,680
Increased by:		
Unencumbered Budget Appropriations Funded by Reserve	\$ 388,011	
Deposits by Board Resolution	<u>1,435,381</u>	
		<u>1,823,392</u>
		5,732,072
Decreased by:		
Withdrawals Approved by Board Resolution		<u>654,000</u>
Balance, June 30, 2021		<u>\$ 5,078,072</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. \$750,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve (Delete if no 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, 2021 is as follows:

Balance, July 1, 2020	\$ 833,315
Increased by:	
Deposits by Board Resolution	<u>166,685</u>
Balance, June 30, 2021	<u>\$ 1,000,000</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,833,220.

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, 2021, the book value of the Board's deposits were \$8,858,129 and bank and brokerage firm balances of the Board's deposits amounted to \$9,527,569. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 9,521,402
Uninsured and Collateralized	<u>6,167</u>
	<u>\$ 9,527,569</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2021 the Board’s bank balance of \$6,167 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>6,167</u>
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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, 2021, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
U.S. Government Securities:	
NJ ARM Managed Account (U.S. Treasury Notes)	\$ 4,325,807
BNY Mellon Invesco Treasury Fund (U.S. Treasury Obligations)	<u>819,844</u>
	<u>\$ 5,145,651</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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 securities that are held by an outside party. The Board does not have a policy for custodial risk. As of June 30, 2021, \$5,145,651 of the Board’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
Uninsured and Collateralized:	
Collateral held by pledging financing institutions' trust department or agent but not in the Board's name	\$ <u>5,145,651</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. 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 (NJARM) and BNY Mellon Invesco Treasury Fund. These investments are 100% of the District’s total investments.

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by NJ ARM and Bank of New York Mellon. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2021 are categorized as Level 2.

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds and internal service 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				
Local	\$ 21,100			\$ 21,100
State	223,503	\$ 986,764		1,210,267
Federal	140,791	1,988,494	\$ 309,591	2,438,876
Accounts	<u>184,630</u>	<u>26,330</u>	<u>185,286</u>	<u>396,246</u>
Gross Receivables	570,024	3,001,588	494,877	4,066,489
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 570,024</u>	<u>\$ 3,001,588</u>	<u>\$ 494,877</u>	<u>\$ 4,066,489</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	\$ 56,577
Grant Draw Down Reserve for Encumbrances	<u>1,665,457</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 1,722,034</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 225,057	\$ 371,231		\$ 596,288
Construction in Progress	<u>11,430,861</u>	<u>16,009,807</u>	\$ (22,490,752)	<u>4,949,916</u>
Total Capital Assets, Not Being Depreciated	<u>11,655,918</u>	<u>16,381,038</u>	<u>(22,490,752)</u>	<u>5,546,204</u>
Capital Assets, Being Depreciated:				
Land Improvements	773,794	17,995		791,789
Building and Building Improvements	43,935,039	23,891,634		67,826,673
Machinery and Equipment	<u>4,808,142</u>	<u>183,536</u>	(60,000)	<u>4,931,678</u>
Total Capital Assets Being Depreciated	<u>49,516,975</u>	<u>24,093,165</u>	<u>(60,000)</u>	<u>73,550,140</u>
Less Accumulated Depreciation for:				
Land Improvements	(70,824)	(53,750)	-	(124,574)
Buildings and Improvements	(15,373,594)	(1,749,701)	-	(17,123,295)
Machinery and Equipment	<u>(3,709,220)</u>	<u>(299,579)</u>	<u>50,500</u>	<u>(3,958,299)</u>
Total Accumulated Depreciation	<u>(19,153,638)</u>	<u>(2,103,030)</u>	<u>50,500</u>	<u>(21,206,168)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,363,337</u>	<u>21,990,135</u>	<u>(9,500)</u>	<u>52,343,972</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,019,255</u>	<u>\$ 38,371,173</u>	<u>\$ (22,500,252)</u>	<u>\$ 57,890,176</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 767,751	7,400	\$ -	\$ 775,151
Total Capital Assets Being Depreciated	<u>767,751</u>	<u>7,400</u>	<u>-</u>	<u>775,151</u>
Less Accumulated Depreciation for:				
Equipment	(733,553)	\$ (8,408)	-	(741,961)
Total Accumulated Depreciation	<u>(733,553)</u>	<u>(8,408)</u>	<u>-</u>	<u>(741,961)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,198</u>	<u>(1,008)</u>	<u>-</u>	<u>33,190</u>
Business-Type Activities Capital Assets, Net	<u>\$ 34,198</u>	<u>\$ (1,008)</u>	<u>\$ -</u>	<u>\$ 33,190</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 139,684
Total Instruction	<u>139,684</u>
Support Services	
Student and Instruction Related Services	8,252
General Administrative	19,064
School Administrative Services	1,321
Plant Operations and Maintenance	1,846,865
Pupil Transportation	87,844
Total Support Services	<u>1,963,346</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,103,030</u>
Business-Type Activities:	
Food Service Fund	\$ 8,408
Total Depreciation Expense - Business-Type Activities	<u>\$ 8,408</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects and other significant commitments as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Toilet Renovation Project	\$ 2,612,804
Clearman Field Renovations Project	100,083
Purchase and Installment of Playground Equipment	279,174
Tennis Court Improvements	229,734
Security Improvements and Upgrades	64,005
Acquisition of Electric Buses	814,604
	<u>\$ 4,100,404</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,038,541
General Fund	Capital Projects Fund	729,832
General Fund	Food Service Fund	<u>27</u>
Total		<u>\$ 1,768,400</u>

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 499,812	\$ 499,812
Capital Projects Fund	<u>\$ 7,266</u>	<u>-</u>	<u>7,266</u>
	<u>\$ 7,266</u>	<u>\$ 499,812</u>	<u>\$ 507,078</u>

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases copiers, building, chromebooks and various properties under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$696,479. The future minimum lease payments for these operating leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
2022	\$ 1,086,394
2023	766,180
2024	766,680
2025	650,080
2026	<u>266,920</u>
Total	<u>\$ 3,536,254</u>

Capital Leases

The District is leasing boiler replacements, turf field acquisition, and security system building improvement projects totaling \$6,796,588 under capital leases. 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	\$ 2,566,657
Building Improvements	3,570,534
Machinery and Equipment	<u>114,318</u>
	<u>\$ 6,251,509</u>

The unexpended proceeds from capital leases in the amount of \$826,010 at June 30, 2021 are held with the Fiscal Agent.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities Capital Leases</u>
2022	\$ 1,377,079
2023	1,115,639
2024	1,136,611
2025	721,600
2026	<u>-</u>
Total minimum lease payments	4,350,929
Less: amount representing interest	<u>(367,694)</u>
Present value of minimum lease payments	<u>\$ 3,983,235</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, 2021 are comprised of the following issues:

\$48,536,000, 2018 Bonds, due in annual installments of \$1,405,000 to \$2,740,000 through September 1, 2042, interest at 3.00% to 4.00%	<u>\$44,640,000</u>
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**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,585,000	1,386,075	2,971,075
2027-2031	8,700,000	6,174,044	14,874,044
2032-2036	10,355,000	4,684,120	15,039,120
2037-2041	12,630,000	2,400,400	15,030,400
2042	<u>5,480,000</u>	<u>219,200</u>	<u>5,699,200</u>
	<u>\$ 44,640,000</u>	<u>20,863,389</u>	<u>\$ 65,503,389</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 2020/2021 school year.

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

Year Ended June 30,	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 416,243		\$ 416,243
2023	416,243		416,243
2024	416,243		416,243
2025	<u>416,239</u>	<u>-</u>	<u>416,239</u>
Totals	<u>\$ 1,664,968</u>	<u>\$ -</u>	<u>\$ 1,664,968</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 123,192,804
Less: Net Debt Issued and Authorized But Not Issued	<u>44,640,601</u>
Remaining Borrowing Power	<u>\$ 78,552,203</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance, <u>July 1, 2020</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2021</u>	Due Within <u>One Year</u>
Governmental Activities:					
Serial Bonds	\$ 46,010,000	\$ -	\$ 1,370,000	\$ 44,640,000	\$ 1,405,000
Capital Leases	4,563,414	\$ 698,034	1,278,213	3,983,235	1,227,248
Premium on Capital Leases	<u>228,468</u>	<u>-</u>	<u>53,743</u>	<u>174,725</u>	<u>-</u>
Total Capital Leases	<u>4,791,882</u>	<u>698,034</u>	<u>1,331,956</u>	<u>4,157,960</u>	<u>1,227,248</u>
Lease - Purchase Agreements	295,648		295,648	-	-
Compensated Absences	3,073,057	547,206	146,791	3,473,472	100,000
State Aid Advance Loan Payable	2,081,211		416,243	1,664,968	416,243
Net Pension Liability	<u>12,262,929</u>	<u>-</u>	<u>720,242</u>	<u>11,542,687</u>	<u>-</u>
Governmental Activity Long-term Liabilities	<u>\$ 68,514,727</u>	<u>\$ 1,245,240</u>	<u>\$ 4,280,880</u>	<u>\$ 65,479,087</u>	<u>\$ 3,148,491</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 TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, 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 \$15,110 reported at June 30, 2021 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, 2021 and 2020 are as follows:

Governmental Activities:	<u>Fiscal Year Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Unpaid Claims, Beginning of Year	\$ 93,259	\$ 111,135
Incurred Claims (Including IBNR)	140,702	404,797
Claim Payments	<u>(218,851)</u>	<u>(422,673)</u>
Unpaid Claims, End of Year	<u>\$ 15,110</u>	<u>\$ 93,259</u>

The District is a member of the New Jersey Schools 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 TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NJSIG provide 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 insurance fund 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, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 158,044	\$ 68,019	\$ 23	\$ -	\$ 204,292
2020	-	67,140	156	52,230	46,225
2019	14,000	66,062	203	73,070	31,159

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, 2021, 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 related 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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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:

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 1/55th 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 1/60th 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.

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 TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 1/55th 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 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching 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 or TPAF 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 or TPAF on or after November 2, 2008 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 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 local 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 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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 <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 774,320	\$ 8,845,691	\$ 52,324
2020	662,003	6,377,170	64,214
2019	714,908	5,859,492	50,950

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$1,635 and \$1,648, respectively for PERS and the State contributed \$4,874, \$4,653 and \$4,985, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$2,593,020 during the fiscal year ended June 30, 2021 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, 2019 through June 30, 2020. 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, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$11,542,687 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was .07078 percent, which was an increase of .00272 percent from its proportionate share measured as of June 30, 2019 of .06806 percent.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit or credit of \$57,605 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 210,173	\$ 40,820
Changes of Assumptions	374,458	4,833,032
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	394,538	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>637,541</u>	<u>999,110</u>
Total	<u>\$ 1,616,710</u>	<u>\$ 5,872,962</u>

At June 30, 2021, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (1,407,590)
2023	(1,341,167)
2024	(951,147)
2025	(696,919)
2026	<u>140,571</u>
	<u>\$ (4,256,252)</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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 7.00%, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>14,530,317</u>	\$ <u>11,542,687</u>	\$ <u>9,007,601</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, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2019 through June 30, 2020. 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, 2020, 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,695,708 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$188,081,489. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .28563 percent, which was a decrease of .00619 percent from its proportionate share measured as of June 30, 2019 of .29182 percent.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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:

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 220,923,736</u>	<u>\$ 188,081,489</u>	<u>\$ 160,811,515</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, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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, 2020. In addition, the plan is administered on a pay-as-you-go basis. 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 multiple-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 TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>366,108</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, 2020 is \$67.8 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, 2019 which were rolled forward to June 30, 2020.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an 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. 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, 2021, 2020 and 2019 were \$2,772,102, \$2,365,813 and \$2,657,856, 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, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$8,750,036. This amount has been included in the district-wide statement of activities (accrual basis) on both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$186,476,202. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .27500 percent, which was an increase of .00561 percent from its proportionate share measured as of June 30, 2019 of .26939 percent.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*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, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 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.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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 TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 112,414,037
Changes Recognized for the Fiscal Year:	
Service Cost	4,567,778
Interest on the Total OPEB Liability	4,039,747
Differences Between Expected and Actual Experience	34,539,845
Changes of Assumptions	34,062,794
Gross Benefit Payments	(3,246,397)
Contributions from the Member	98,398
Net Changes	<u>\$ 74,062,165</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 186,476,202</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 224,806,687</u>	<u>\$ 186,476,202</u>	<u>\$ 156,505,455</u>

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 150,529,879</u>	<u>\$ 186,476,202</u>	<u>\$ 229,280,284</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

F. Subsequent Events

Serial Bonds

On July 19, 2021 the District approved a resolution to enter into a lease in the amount of \$1,402,792 for technology support. In addition the District entered into two lease purchase agreements for the acquisition of copiers on August 12, 2020 in the amount of \$10,173 and November 15, 2021 in the amount of \$28,330.

Appropriation of Fund Balance

On August 16, 2021 the Board approved the appropriation of an additional \$450,000 from the capital reserve for the purchase of property located at 567 Franklin Avenue, Belleville, N.J.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

G. 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 Township School District, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

On July 1, 2020, the Belleville Township School District implemented GASB Statement No. 84 "Fiduciary Activities". In addition to the aforementioned implementation of GASB Statement No. 84, the District also made a prior period adjustment to restate the District compensated absences liability to include District employees previously omitted. The Belleville Township School District has determined that the effect of implementing this accounting change and revision to the compensated absences liability on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities and payroll related activities which were previously reported as fiduciary activities to governmental activities which increased net position by \$185,627. The financial statements of the governmental activities as of June 30, 2020 have also been restated to reflect the revisions of its compensated absences liability to include previously omitted amounts which decreased net position of governmental activities by \$1,229,238. The effect of these restatements is to decrease net position of governmental activities by \$1,043,611 from a deficit balance of \$8,023,821 as previously reported to a deficit balance of \$9,067,432 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$185,627 from \$22,217,993 as previously reported to \$22,403,620 as of June 30, 2020. General Fund fund balance increased \$46,225 from \$3,303,035 as previously reported to \$3,349,260 as of June 30, 2020. Special Revenue Fund fund balance increased \$139,402 from a deficit balance of \$87,858 as previously reported to a deficit balance of \$51,544 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$46,225 from \$46,225 as previously reported to \$0 as of June 30, 2020.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 has been 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.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

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, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 42,473,162		\$ 42,473,162	\$ 42,473,162	
Tuition From Other LEAs Within the State	-		-	39,334	\$ 39,334
Tuition From Other Sources	100,000		100,000	-	(100,000)
Transportation Fees from LEAs	7,000		7,000	-	(7,000)
Interest on Maintenance Reserve	2,500		2,500	-	(2,500)
Interest on Capital Reserve	5,000		5,000	-	(5,000)
Interest on Unemployment				23	23
Interest Earnings			-	3,702	3,702
Unrestricted Miscellaneous Revenues	108,037	-	108,037	355,877	247,840
Total Local Revenues	42,695,699	-	42,695,699	42,872,098	176,399
State Sources					
Special Education Aid	3,112,840		3,112,840	3,112,840	
Equalization Aid	27,771,255	\$ (1,702,914)	26,068,341	26,068,341	
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	905,634	405,634
Additional Non-Public Transportation Aid				80,040	80,040
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				8,680,532	8,680,532
Pension - NCGI Premium				165,159	165,159
Post Retirement Medical Benefit Contribution				2,772,102	2,772,102
Long Term Disability Insurance				4,874	4,874
Reimbursed Social Security Contribution	-	-	-	2,593,020	2,593,020
Total State Revenues	33,696,168	(1,702,914)	31,993,254	46,694,615	14,701,361
Federal Sources					
Federal Emergency Management Agency (FEMA)	-	\$ -		59,997	59,997
Special Education Medicaid Initiative Reimbursement	118,380	-	118,380	199,170	80,790
	118,380	-	118,380	259,167	140,787
Total Revenues	76,510,247	(1,702,914)	74,807,333	89,825,880	15,018,547
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,274,293	(62,672)	1,211,621	1,121,949	89,672
Grades 1-5	6,901,712	(275,089)	6,626,623	6,426,809	199,814
Grades 6-8	4,905,554	(342,675)	4,562,879	4,532,530	30,349
Grades 9-12	8,389,366	157,698	8,547,064	8,419,588	127,476
Regular Programs - Home Instruction					
Salaries of Teachers	250,000	(201,908)	48,092	48,092	-
Purchased Professional-Educational Services	60,000	20,746	80,746	77,129	3,617
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	318,990	27,376	346,366	189,167	157,199
Purchased Professional-Educational Services		964,241	964,241	961,204	3,037
Purchased Technical Services	5,000		5,000	5,000	-
Other Purchased Services	16,700		16,700	10,800	5,900
General Supplies	1,037,275	(141,864)	895,411	519,777	375,634
Textbooks	315,000	(231,160)	83,840	12,946	70,894
Other Objects	14,000	29	14,029	2,420	11,609
Total Regular Programs	23,487,890	(85,278)	23,402,612	22,327,411	1,075,201
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	737,964	126,066	864,030	843,458	20,572
Other Salaries for Instruction	350,343	(35,026)	315,317	61,808	253,509
Total Learning / Language Disabilities	1,088,307	91,040	1,179,347	905,266	274,081

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 305,018	\$ 2,667	\$ 307,685	\$ 252,807	\$ 54,878
Other Salaries for Instruction	134,535	1,535	136,070	23,363	112,707
Total Behavioral Disabilities	439,553	4,202	443,755	276,170	167,585
Multiple Disabilities					
Salaries of Teachers	301,019	2,772	303,791	239,291	64,500
Other Salaries for Instruction	113,297	8,980	122,277	32,327	89,950
Total Multiple Disabilities	414,316	11,752	426,068	271,618	154,450
Resource Room / Resource Center					
Salaries of Teachers	3,030,657	148,657	3,179,314	3,149,314	30,000
Other Salaries for Instruction	188,046	34,429	222,475	183,411	39,064
Total Resource Room / Resource Center	3,218,703	183,086	3,401,789	3,332,725	69,064
Autism					
Salaries of Teachers	567,081	913	567,994	485,087	82,907
Other Salaries for Instruction	420,263	(217,117)	203,146	46,888	156,258
General Supplies	10,000	1,048	11,048	10,000	1,048
Total Autism	997,344	(215,156)	782,188	541,975	240,213
Home Instruction					
Salaries of Teachers	70,000	-	70,000	42,096	27,904
Total Home Instruction	70,000	-	70,000	42,096	27,904
Total Special Education	6,228,223	74,924	6,303,147	5,369,850	933,297
Bilingual Education					
Salaries of Teachers	1,153,599	14,366	1,167,965	1,082,567	85,398
General Supplies	7,000	-	7,000	5,000	2,000
Total Bilingual Education	1,160,599	14,366	1,174,965	1,087,567	87,398
School Sponsored Co-Curricular Activities					
Salaries	248,660	-	248,660	185,775	62,885
Total School Sponsored Co-Curricular Activities	248,660	-	248,660	185,775	62,885
School Sponsored Athletics - Instruction					
Salaries	490,513	4,360	494,873	465,972	28,901
Purchased Services	64,500	5,401	69,901	33,549	36,352
Supplies and Materials	140,250	(31,957)	108,293	63,006	45,287
Other Objects	66,400	3,921	70,321	34,318	36,003
Total School Sponsored Athletics - Instruction	761,663	(18,275)	743,388	596,845	146,543
Total - Instruction	31,887,035	(14,263)	31,872,772	29,567,448	2,305,324

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Reg.		\$ 630	\$ 630		\$ 630
Tuition - Other LEA's Within State - Special	\$ 700,000	(336,106)	363,894	\$ 344,596	19,298
Tuition to County Vocational School District-Reg.	425,000	27,029	452,029	452,029	-
Tuition to County Vocational School/Dist.-Spec.	90,000	-	90,000	74,653	15,347
Tuition to County Special Services - School Districts & Regional Day Schools	720,000	(281,641)	438,359	372,520	65,839
Tuition to Private Schools - Disabled Within State	2,450,000	(75,203)	2,374,797	2,295,988	78,809
Total Undistributed Expenditures - Instruction (Tuition)	4,385,000	(665,291)	3,719,709	3,539,786	179,923
Health Services					
Salaries	851,074	(26,680)	824,394	802,063	22,331
Purchased Professional and Technical Services	71,000	21,638	92,638	82,153	10,485
Other Purchased Services	20,000	(11,920)	8,080	6,689	1,391
Supplies and Materials	18,522	16,963	35,485	13,008	22,477
Total Health Services	960,596	1	960,597	903,913	56,684
Speech, OT, PT and Related Services					
Salaries	817,650	7,537	825,187	819,385	5,802
Purchased Professional - Educational Services	450,000	333,317	783,317	782,867	450
Total Speech, OT, PT and Related Services	1,267,650	340,854	1,608,504	1,602,252	6,252
Other Support Services-Students-Extra Services					
Salaries	57,154	(52,970)	4,184	4,184	-
Purchased Professional-Educational Services	825,000	(127,678)	697,322	638,127	59,195
Total Other Support Services-Extra	882,154	(180,648)	701,506	642,311	59,195
Guidance					
Salaries of Other Professional Staff	1,272,017	98,258	1,370,275	1,370,275	-
Salaries of Secretarial and Clerical Assistants	184,449	(7,844)	176,605	175,830	775
Purchased Professional-Educational Services	25,000	(2,875)	22,125	-	22,125
Supplies and Materials	15,850	(6,090)	9,760	6,561	3,199
Total Guidance	1,497,316	81,449	1,578,765	1,552,666	26,099
Child Study Team					
Salaries of Other Professional Staff	1,677,938	(21,033)	1,656,905	1,535,209	121,696
Salaries of Secretarial and Clerical Assistants	154,920	-	154,920	149,920	5,000
Other Purchased Professional and Technical Services	28,600	(1,510)	27,090	18,880	8,210
Residential Costs	14,500	(14,500)	-	-	-
Other Purchased Services	-	14,500	14,500	12,500	2,000
Supplies and Materials	65,000	15,601	80,601	72,128	8,473
Other Objects	2,500	(1,887)	613	200	413
Total Child Study Team	1,943,458	(8,829)	1,934,629	1,788,837	145,792
Improvement of Instruction Services					
Salaries of Other Professional Staff	80,000	(1,806)	78,194	74,777	3,417
Total Improvement of Instruction Services	80,000	(1,806)	78,194	74,777	3,417
Educational Media Services/School Library					
Salaries	323,229	3,945	327,174	325,674	1,500
Supplies and Materials	35,500	2,432	37,932	27,121	10,811
Total Educational Media Services/School Library	358,729	6,377	365,106	352,795	12,311

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
Support Services General Administration					
Salaries	\$ 487,592	\$ 4,172	\$ 491,764	\$ 491,764	-
Salaries of State Monitors	99,500	(208)	99,292	68,784	\$ 30,508
Repayment of Principal -NJ DOE Loan	416,243	-	416,243	416,243	-
Legal Services	300,000	(70,162)	229,838	184,346	45,492
Audit Fees	100,000	43,200	143,200	67,685	75,515
Architectural/Engineering Services	50,000	(50,000)	-	-	-
Other Purchased Professional Services	40,000	4,903	44,903	44,903	-
Communications/Telephone	45,000	76,661	121,661	121,661	-
BOE Other Purchased Services	3,500	5,900	9,400	9,400	-
Miscellaneous Purchased Services	350,000	87,960	437,960	437,520	440
General Supplies	7,500	190,075	197,575	7,127	190,448
Judgments Against the School District	600,000	(281,149)	318,851	202,426	116,425
Miscellaneous Expenditures	25,000	6,990	31,990	31,685	305
BOE Membership Dues and Fees	33,000	3,988	36,988	36,988	-
Total Support Services General Administration	<u>2,557,335</u>	<u>22,330</u>	<u>2,579,665</u>	<u>2,120,532</u>	<u>459,133</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	2,365,301	(488,142)	1,877,159	1,877,159	-
Salaries of Other Professional Staff	1,348,095	362,738	1,710,833	1,710,833	-
Salaries of Secretarial and Clerical Assistants	854,975	16,186	871,161	860,672	10,489
Purchased Professional and Technical Services	-	6,448	6,448	5,100	1,348
Other Purchased Services	46,550	83,692	130,242	129,787	455
Supplies and Materials	106,250	13,478	119,728	83,500	36,228
Total Support Services School Administration	<u>4,721,171</u>	<u>(5,600)</u>	<u>4,715,571</u>	<u>4,667,051</u>	<u>48,520</u>
Central Services					
Salaries	659,895	(19,988)	639,907	639,907	-
Purchased Technical Services	25,000	(3,821)	21,179	21,179	-
Miscellaneous Purchased Services	43,000	12,114	55,114	48,627	6,487
Supplies and Materials	9,500	3,133	12,633	11,673	960
Interest on Lease Purchase Agreements	95,000	126,271	221,271	221,271	-
Miscellaneous Expenditures	12,000	1,216	13,216	13,216	-
Total Central Services	<u>844,395</u>	<u>118,925</u>	<u>963,320</u>	<u>955,873</u>	<u>7,447</u>
Administration Information Technology					
Salaries	306,441	41,512	347,953	347,953	-
Purchased Technical Services	465,000	156,749	621,749	1,008,043	(386,294)
Other Purchased Services	180,000	(24,090)	155,910	121,404	34,506
Supplies and Materials	100,000	99,280	199,280	88,276	111,004
Other Objects	-	26,890	26,890	26,890	-
Total Administration Information Technology	<u>1,051,441</u>	<u>300,341</u>	<u>1,351,782</u>	<u>1,592,566</u>	<u>(240,784)</u>
Required Maintenance for School Facilities					
Salaries	616,591	28,723	645,314	622,478	22,836
Cleaning, Repair & Maintenance Services	137,200	94,315	231,515	196,205	35,310
General Supplies	343,000	291,417	634,417	666,935	(32,518)
Total Required Maintenance for School Facilities	<u>1,096,791</u>	<u>414,455</u>	<u>1,511,246</u>	<u>1,485,618</u>	<u>25,628</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 2,292,853	\$ (259,198)	\$ 2,033,655	\$ 1,979,399	\$ 54,256
Cleaning, Repair and Maintenance Services	80,000	(53,331)	26,669	1,499	25,170
Rent of Land & Buildings Other Than Lease Purchase Agreement	120,000	88,000	208,000	208,000	-
Other Purchased Property Services	35,000	11,338	46,338	16,459	29,879
Insurance	300,000	1,322	301,322	301,322	-
Miscellaneous Purchased Services	500	-	500	-	500
General Supplies	17,500	(750)	16,750	4,720	12,030
Energy (Natural Gas)	345,000	(153,025)	191,975	191,975	-
Energy (Electricity)	415,000	127,833	542,833	542,833	-
Other Objects	3,000	330	3,330	1,354	1,976
Total Custodial Services	3,608,853	(237,481)	3,371,372	3,247,561	123,811
Care and Upkeep of Grounds					
Salaries	44,712	1,793	46,505	45,948	557
Cleaning, Repair and Maintenance Services	15,000	(6,416)	8,584	6,702	1,882
General Supplies	8,500	663	9,163	6,726	2,437
Total Care and Upkeep of Grounds	68,212	(3,960)	64,252	59,376	4,876
Security					
Salaries	560,000	(36,019)	523,981	513,857	10,124
Purchased Professional and Technical Services	102,000	6,416	108,416	108,416	-
Cleaning, Repair and Maintenance Services	4,000	3,951	3,951	3,951	-
General Supplies	4,000	-	4,000	2,242	1,758
Total Security	666,000	(25,652)	640,348	628,466	11,882
Student Transportation Services					
Salaries of Non-Instructional Aides	396,514	4,033	400,547	298,094	102,453
Salaries for Pupil Transportation (Between Home and School) - Regular	283,146	4,963	288,109	286,577	1,532
Salaries for Pupil Transportation (Between Home and School) - Special	270,887	15,173	286,060	286,060	-
Salaries for Pupil Transportation (Other Than Between Home & School)	135,000	(118,000)	17,000	12,731	4,269
Management Fee - ESC & CTSA Trans. Prog.	40,000	-	40,000	-	40,000
Cleaning, Repair and Maintenance Services	65,000	(22,778)	42,222	38,985	3,237
Lease Purchase Payments - School Buses	-	138,479	138,479	138,479	-
Contracted Services - Aid in Lieu Payments - Charter Schools	450,000	(112,836)	337,164	101,496	235,668
Contracted Services (Other Than Between Home and School) - Vendors	80,000	(73,077)	6,923	-	6,923
Contracted Services (Bet. Home and School) - Joint Agreements	15,000	-	15,000	2,221	12,779
Contracted Services (Spec Ed) - Vendors	250,000	935,755	1,185,755	1,185,755	-
Contracted Services (Spec Ed) - Joint Agreements	145,000	(131,570)	13,430	-	13,430
Contracted Services (Regular Students) - ESCs and CTSA's	-	300,000	300,000	223,557	76,443
Contracted Services (Spec Ed) - ESC's & CTSA's	1,300,000	(1,191,363)	108,637	-	108,637
Transportation Supplies	50,000	990	50,990	12,344	38,646
Other Objects	17,500	(3,452)	14,048	1,654	12,394
Total Student Transportation Services	3,498,047	(253,683)	3,244,364	2,587,953	656,411
Unallocated Benefits					
Social Security Contributions	800,000	-	800,000	750,013	49,987
Other Retirement Contributions - PERS	775,000	4,565	779,565	779,565	-
Other Retirement Contributions - DCRP	35,000	17,324	52,324	52,324	-
Unemployment Compensation	76,500	(9,364)	67,136	-	67,136
Workmen's Compensation	500,000	49,301	549,301	549,301	-
Health Benefits	9,850,000	(784,009)	9,065,991	8,948,180	117,811
Tuition Reimbursement	80,000	59,242	139,242	109,242	30,000
Other Employee Benefits	450,000	(65,490)	384,510	327,920	56,590
Unused Sick Payment to Terminated/Retired Staff	60,000	86,791	146,791	146,791	-
Total Unallocated Benefits	12,626,500	(641,640)	11,984,860	11,663,336	321,524

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CURRENT EXPENDITURES (Continued)					
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				\$ 8,680,532	\$ (8,680,532)
Pension -NCGI Premium				165,159	(165,159)
Post Retirement Medical Benefit Contribution				2,772,102	(2,772,102)
Long Term Disability Insurance				4,874	(4,874)
Reimbursed Social Security Contribution	-	-	-	2,593,020	(2,593,020)
Total On-Behalf Contributions	-	-	-	14,215,687	(14,215,687)
Total Undistributed Expenditures	\$ 42,113,648	\$ (739,858)	\$ 41,373,790	53,681,356	(12,307,566)
Interest Earned on Maintenance Reserve	2,500	-	2,500	-	2,500
Total Expenditures - Current Expenditures	74,003,183	(754,121)	73,249,062	83,248,804	(9,999,742)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Instruction		1,249	1,249	-	1,249
Student Transportation-Non-Instructional Equipment		829,903	829,903	500,890	329,013
Required Maintenance for School Facilities		433,163	433,163		433,163
School Buses - Special	365,000	(365,000)	-	-	-
Total Equipment	365,000	899,315	1,264,315	500,890	763,425
Facilities Acquisition and Construction Services					
Construction Services		301,183	301,183	275,507	25,676
Supplies and Materials		31,912	31,912		31,912
Land and Improvements		847,632	847,632	847,632	
Lease Purchase Agreements - Principal	1,550,000	(317,800)	1,232,200	1,232,200	-
Other Objects		2,932	2,932		2,932
Assessment for Debt Service on SDA Funding	22,935	-	22,935	22,935	-
Total Facilities Acquisition and Construction Services	1,572,935	865,859	2,438,794	2,378,274	60,520
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Assets Acquired under Capital Lease (Non-Budget)					
Acquisition of Equipment - Security Cameras	-	-	-	698,034	(698,034)
Total Capital Outlay	1,942,935	1,765,174	3,708,109	3,577,198	130,911
SUMMER SCHOOL - INSTRUCTION					
Salaries of Teachers	42,500	-	42,500	-	42,500
Total Summer School - Instruction	42,500	-	42,500	-	42,500
Transfer of Funds to Charter Schools	742,812	(125,414)	617,398	601,288	16,110
Total Expenditures	76,731,430	885,639	77,617,069	87,427,290	(9,810,221)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221,183)	(2,588,553)	(2,809,736)	2,398,590	5,208,326

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
Other Financing Sources/(Uses)					
Capital Lease Purchase Proceeds(Non-Budgeted)				\$ 698,034	\$ 698,034
Operating Transfer In - Capital Projects Fund	-	-	-	7,266	7,266
Transfers Out - Special Revenue Fund	\$ (499,812)	-	\$ (499,812)	(499,812)	-
Total Other Financing Sources/(Uses)	(499,812)	-	(499,812)	205,488	705,300
Net Change in Fund Balance	(720,995)	\$ (2,588,553)	(3,309,548)	2,604,078	5,913,626
Fund Balances, Beginning of Year (Restated)	7,072,298	-	7,072,298	7,072,298	-
Fund Balances, End of Year	\$ 6,351,303	\$ (2,588,553)	\$ 3,762,750	\$ 9,676,376	\$ 5,913,626
Recapitulation					
Restricted					
Capital Reserve				4,328,072	
Capital Reserve - Designated for Subsequent Year				750,000	
Maintenance Reserve				1,000,000	
Unemployment Compensation Reserve				204,292	
Assigned					
Year End Encumbrances				1,323,947	
FFCRA/SEMI				15,196	
Designated for Subsequent Year's Expenditures				473,994	
Unassigned				1,580,875	
Fund Balance Per State Budgetary Basis of Accounting				9,676,376	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				(4,005,910)	
Fund Balance Per Governmental Funds (GAAP)				5,670,466	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 3,240,761	\$ 24,813	\$ 3,265,574	\$ 3,246,016	\$ (19,558)
Federal	2,654,784	7,299,638	9,954,422	6,938,837	(3,015,585)
Other Sources	50,000	129,088	179,088	152,559	(26,529)
Total Revenues	<u>5,945,545</u>	<u>7,453,539</u>	<u>13,399,084</u>	<u>10,337,412</u>	<u>(3,061,672)</u>
EXPENDITURES					
Salaries	1,033,754	735,762	1,769,516	1,459,547	309,969
Other Salaries for Instruction	335,791	(258,628)	77,163	51,279	25,884
Purchased Professional / Technical Services	93,666	67,636	161,302	96,338	64,964
Other Purchased Services	1,136,709	4,421	1,141,130	1,138,422	2,708
General Supplies	1,346,840	3,181,086	4,527,926	3,341,784	1,186,142
Textbooks	6,747	1,561	8,308	8,308	-
Other Objects	-	50,511	50,511	18,436	32,075
Co-Curricular / Extra-Curricular Activities	-	79,024	79,024	79,024	-
Total Instruction	<u>3,953,507</u>	<u>3,861,373</u>	<u>7,814,880</u>	<u>6,193,138</u>	<u>1,621,742</u>
Support Services					
Salaries of Program Directors	135,000		161,650	161,650	-
Salaries of Other Professional Staff	134,100	(30,424)	103,676	84,911	18,765
Salaries of Secretarial and Clerical Assistants	30,000	6,500	36,500	32,845	3,655
Other Salaries	78,400	859,571	937,971	935,587	2,384
Salaries of Master Teachers	70,051	(600)	69,451	69,401	50
Personnel Services - Employee Benefits	566,536	(357,822)	208,714	204,303	4,411
Purchased Ed. Services - Contracted Pre-K	405,000	110,355	515,355	515,355	-
Other Purchased Professional -Ed Services	30,000	(22,068)	7,932	7,932	-
Other Purchased Professional Services		15,000	15,000	6,781	8,219
Other Purchased Professional & Technical Services	199,799	7,956	207,755	70,460	137,295
Purchased Property Services			75,000		75,000
Other Purchased Services		112,129	112,129	98,602	13,527
Cleaning Repair and Maintenance Services		10,000	10,000	5,386	4,614
Rentals	240,000	60,000	300,000	300,000	-
Miscellaneous Purchased Services		15,000	15,000	15,000	-
Supplies and Materials	85,052	1,602,889	1,687,941	612,493	1,075,448
Program Administration		54,690	54,690	54,139	551
Other Objects	60,000	(60,000)	-	-	-
Total Support Services	<u>2,033,938</u>	<u>2,383,176</u>	<u>4,518,764</u>	<u>3,174,845</u>	<u>1,343,919</u>
Capital Outlay					
Instructional Equipment	320,608	124,455	445,063	444,743	320
Non - Instructional Equipment	137,304	2,383,176	1,120,189	1,019,810	100,379
Total Capital Outlay	<u>457,912</u>	<u>2,507,631</u>	<u>1,565,252</u>	<u>1,464,553</u>	<u>100,699</u>
Total Expenditures	<u>6,445,357</u>	<u>8,752,180</u>	<u>13,898,896</u>	<u>10,832,536</u>	<u>3,066,360</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (499,812)	\$ (1,298,641)	\$ (499,812)	\$ (495,124)	\$ (6,128,032)
Other Financing Sources					
Transfers In- General Fund	<u>499,812</u>	<u>-</u>	<u>499,812</u>	<u>499,812</u>	<u>(6,128,032)</u>
Net Changes in Fund Balances	-	(1,298,641)	-	4,688	(12,256,064)
Fund Balance, Beginning of Year (Restated)	<u>139,402</u>	<u>-</u>	<u>139,402</u>	<u>139,402</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 139,402</u>	<u>\$ (1,298,641)</u>	<u>\$ 139,402</u>	<u>\$ 144,090</u>	<u>(4,688)</u>
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid No Recognized on GAAP Basis				<u>(216,954)</u>	
Fund Balance (Deficit per Governmental Funds (GAAP))				<u>\$ (72,864)</u>	
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 144,090	
Unassigned				<u>(216,954)</u>	
				<u>\$ (72,864)</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, 2021**

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.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 89,825,880	\$ 10,337,412
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2020-2021)	(4,005,910)	(216,954)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2019-2020)	3,723,038	87,858
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2021		(1,665,457)
Encumbrances , June 30, 2020 net of cancellations	-	46,241
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 89,543,008</u>	<u>\$ 8,589,100</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 87,427,290	\$ 10,832,536
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, 2021		(1,665,457)
Encumbrances , June 30, 2020 net of cancellations	-	46,241
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 87,427,290</u>	<u>\$ 9,213,320</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 Eight Fiscal Years*

	<u>2021</u>	<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)	0.07078%	0.06806%	0.07187%	0.07397%	.07154%	.08363%	.08023%	.07642%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,542,687	\$ 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	\$ 5,233,105	\$ 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	220.57%	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	58.32%	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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 774,320	\$ 662,003	\$ 714,908	\$ 685,256	\$ 635,562	\$ 718,955	\$ 661,443	\$ 573,845
Contributions in Relation to the Contractually Required Contribution	<u>774,320</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 5,331,466	\$ 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	14.52%	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 Eight Fiscal Years*

	<u>2021</u>	<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%	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>188,081,489</u>	<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>
Total	<u>\$ 188,081,489</u>	<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>
District's Covered Payroll	33,974,406	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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	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, 2021**

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 Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 4,567,778	\$ 4,266,489	\$ 4,792,430	\$ 5,707,408
Interest on Total OPEB Liability	4,039,747	4,960,852	5,401,596	4,696,710
Differences Between Expected and Actual Experience	34,539,845	(20,720,186)	(14,658,853)	
Changes of Assumptions	34,062,794	1,676,103	(14,410,849)	(19,512,888)
Gross Benefit Payments	(3,246,397)	(3,450,776)	(3,357,945)	(3,138,421)
Contribution from the Member	<u>98,398</u>	<u>102,291</u>	<u>116,056</u>	<u>115,565</u>
Net Change in Total OPEB Liability	74,062,165	(13,165,227)	(22,117,565)	(12,131,626)
Total OPEB Liability - Beginning	<u>112,414,037</u>	<u>125,579,264</u>	<u>147,696,829</u>	<u>159,828,455</u>
Total OPEB Liability - Ending	<u>\$ 186,476,202</u>	<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>186,476,202</u>	<u>112,414,037</u>	<u>125,579,264</u>	<u>147,696,829</u>
Total OPEB Liability - Ending	<u>\$ 186,476,202</u>	<u>\$ 112,414,037</u>	<u>\$ 125,579,264</u>	<u>\$ 147,696,829</u>
District's Covered Payroll	<u>\$ 39,207,511</u>	<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%	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, 2021**

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, 2021**

	<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>Basic</u>	<u>IDEA Preschool</u>	<u>(Exhibit E-1a)</u>	<u>(Exhibit E-1b)</u>	<u>Total 2021</u>
REVENUES											
Intergovernmental											
State									\$ 204,070	\$ 3,862,650	\$ 4,066,720
Federal	\$ 1,164,422	\$ 64,438	\$ 177,837	\$ 43,441	\$ 14,250	\$ 76,027	\$ 1,103,661	\$ 25,241	3,448,816	-	6,118,133
Other Sources	-	-	-	-	-	-	-	-	-	152,559	152,559
Total Revenues	\$ 1,164,422	\$ 64,438	\$ 177,837	\$ 43,441	\$ 14,250	\$ 76,027	\$ 1,103,661	\$ 25,241	\$ 3,652,886	\$ 4,015,209	10,337,412
EXPENDITURES											
Salaries	\$ 135,470	\$ 20,244	\$ 51,601	\$ 13,650					179,293	1,059,289	1,459,547
Other Salaries for Instruction									-	51,279	51,279
Purchased Professional / Educational Services									-	-	-
Purchased Professional / Technical Services	9,575								38,010	48,753	96,338
Other Purchased Services							1,097,786	25,241	-	15,395	1,138,422
General Supplies	798,068	38,914		28,741		75,816	3,012		2,150,720	246,513	3,341,784
Textbooks									-	8,308	8,308
Other Objects		5,000							-	13,436	18,436
Co-Curricular / Extra-Curricular Activities	-	-	-	-	-	-	-	-	-	79,024	79,024
Total Instruction	943,113	64,158	51,601	42,391	-	75,816	1,100,798	25,241	2,368,023	1,521,997	6,193,138
Support Services											
Salaries of Program Directors									-	161,650	161,650
Salaries of Other Professional Staff									-	84,911	84,911
Salaries of Secretarial and Clerical Assistants									-	32,845	32,845
Other Salaries									871,103	64,484	935,587
Salaries of Master Teachers									-	69,401	69,401
Personnel Services - Employee Benefits	22,303	280	3,947	1,050					-	176,723	204,303
Purchased Ed. Services - Contracted Pre-K									-	515,355	515,355
Other Purchased Professional -Ed Services									-	7,932	7,932
Other Purchased Professional Services									-	6,781	6,781
Other Purchased Professional & Technical Services			27,484				2,863		35,187	4,926	70,460
Other Purchased Services	25,300		73,302						-	-	98,602
Cleaning Repair and Maintenance Services									-	5,386	5,386
Rentals									-	300,000	300,000
Miscellaneous Purchased Services									-	15,000	15,000
Supplies and Materials	121,706		21,503		14,250	211			148,420	306,403	612,493
Program Administration	52,000								2,139		54,139
Total Support Services	221,309	280	126,236	1,050	14,250	211	2,863	-	1,056,849	1,751,797	3,174,845
Capital Outlay											
Instructional Equipment									61,954	382,789	444,743
Non - Instructional Equipment									166,060	853,750	1,019,810
Total Capital Outlay	-	-	-	-	-	-	-	-	228,014	1,236,539	1,464,553
Total Expenditures	\$ 1,164,422	\$ 64,438	\$ 177,837	\$ 43,441	\$ 14,250	\$ 76,027	\$ 1,103,661	\$ 25,241.00	\$ 3,652,886	\$ 4,510,333	\$ 10,832,536
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures											
	-	-	-	-	-	-	-	-	-	(495,124)	(495,124)
Other Financing Sources											
Transfers In- General Fund										499,812	499,812
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	4,688	4,688
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	139,402	139,402
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,090	144,090

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	CARES Act	CRRSA ESSER II	Non-Public Digital Divide	Coronavirus Relief Fund	Digital Divide	Alyssa's Law	Carl D Perkins	Chapter 192 Services Compensatory Education	Chapter 193 Services Corrective Speech	Supplemental Instruction	Total Exhibit E-1a
REVENUES											
Intergovernmental											
State						\$ 166,060		\$ 23,949	\$ 9,205	\$ 4,856	\$ 204,070
Federal	\$ 891,978	\$ 1,567,020	\$ 5,916	\$ 405,517	\$ 533,464		\$ 44,921				3,448,816
Other Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 891,978	\$ 1,567,020	\$ 5,916	\$ 405,517	\$ 533,464	\$ 166,060	\$ 44,921	\$ 23,949	\$ 9,205	\$ 4,856	\$ 3,652,886
EXPENDITURES											
Salaries		\$ 179,293									179,293
Other Salaries for Instruction											-
Purchased Professional / Educational Services								23,949	9,205	4,856	38,010
Purchased Professional / Technical Services											-
Other Purchased Services											-
General Supplies	\$ 7,785	1,158,750	\$ 5,916	\$ 405,517	\$ 533,464		\$ 39,288				2,150,720
Textbooks											-
Other Objects											-
Co-Curricular / Extra-Curricular Activities											-
Total Instruction	7,785	1,338,043	5,916	405,517	533,464	-	39,288	23,949	9,205	4,856	2,368,023
Support Services											
Salaries of Program Directors											-
Salaries of Other Professional Staff											-
Salaries of Secretarial and Clerical Assistants											-
Other Salaries	868,103	3,000									871,103
Salaries of Master Teachers											-
Personnel Services - Employee Benefits											-
Purchased Ed. Services - Contracted Pre-K											-
Other Purchased Professional -Ed Services											-
Other Purchased Professional Services											-
Other Purchased Professional & Technical Services		35,187									35,187
Other Purchased Services											-
Cleaning Repair and Maintenance Services											-
Rentals											-
Miscellaneous Purchased Services											-
Supplies and Materials	16,090	131,495					835				148,420
Program Administration	-	-					2,139				2,139
Total Support Services	884,193	169,682	-	-	-	-	2,974	-	-	-	1,056,849
Capital Outlay											
Instructional Equipment		59,295					2,659				61,954
Non - Instructional Equipment						166,060					166,060
Total Capital Outlay	-	59,295	-	-	-	166,060	2,659	-	-	-	228,014
Total Expenditures	\$ 891,978	\$ 1,567,020	\$ 5,916	\$ 405,517	\$ 533,464	\$ 166,060	\$ 44,921	\$ 23,949	\$ 9,205	\$ 4,856	\$ 3,652,886
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-
Other Financing Sources											
Transfers In- General Fund	-	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	-	139,402
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,402

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Preschool Education Aid Act	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Security	Municipal Alliance	NJ SIG	Local Grants	Volkswagon Electric School Bus Grant	Student Activities	Total Exhibit E-1b
REVENUES										
Intergovernmental										
State	\$ 3,015,500	\$ 4,926	\$ 8,308	\$ 13,212				\$ 820,704		\$ 3,862,650
Federal										-
Other Sources	-	-	-	-	\$ 2,818	\$ 55,904	\$ 10,125	-	83,712	152,559
Total Revenues	\$ 3,015,500	\$ 4,926	\$ 8,308	\$ 13,212	\$ 2,818	\$ 55,904	\$ 10,125	\$ 820,704	\$ 83,712	\$ 4,015,209
EXPENDITURES										
Instruction										
Salaries	\$ 1,059,289									1,059,289
Other Salaries for Instruction	51,279									51,279
Purchased Professional / Educational Services										-
Purchased Professional / Technical Services	48,753									48,753
Other Purchased Services	12,577				2,818					15,395
General Supplies	203,995					32,393	10,125			246,513
Textbooks			8,308							8,308
Other Objects	13,436									13,436
Co-Curricular / Extra-Curricular Activities	-	-	-	-	-	-	-	-	79,024	79,024
Total Instruction	1,389,329	-	8,308	-	2,818	32,393	10,125	-	79,024	1,521,997
Support Services										
Salaries of Program Directors	161,650									161,650
Salaries of Other Professional Staff	84,911									84,911
Salaries of Secretarial and Clerical Assistants	32,845									32,845
Other Salaries	64,484									64,484
Salaries of Master Teachers	69,401									69,401
Personnel Services - Employee Benefits	176,723									176,723
Purchased Ed. Services - Contracted Pre-K	515,355									515,355
Other Purchased Professional -Ed Services	7,932									7,932
Other Purchased Professional Services	6,781									6,781
Other Purchased Professional & Technical Services		4,926								4,926
Other Purchased Services										
Cleaning Repair and Maintenance Services	5,386									5,386
Rentals	300,000									300,000
Miscellaneous Purchased Services	15,000									15,000
Supplies and Materials	293,191			13,212						306,403
Program Administration	-	-	-	-	-	-	-	-	-	-
Total Support Services	1,733,659	4,926	-	13,212	-	-	-	-	-	1,751,797
Capital Outlay										
Instructional Equipment	382,789									382,789
Non - Instructional Equipment	9,535					23,511		820,704		853,750
Total Capital Outlay	392,324	-	-	-	-	23,511	-	820,704	-	1,236,539
Total Expenditures	\$ 3,515,312	\$ 4,926	\$ 8,308	\$ 13,212	\$ 2,818	\$ 55,904	\$ 10,125	\$ 820,704	\$ 79,024	\$ 4,510,333
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(499,812)	-	-	-	-	-	-	-	4,688	(495,124)
Other Financing Sources										
Transfers In- General Fund	499,812									499,812
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	4,688	4,688
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	139,402	139,402
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,090	\$ 144,090

**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, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 1,033,754	\$ 25,535	\$ 1,059,289	\$ 1,059,289	\$ -
Other Salaries for Instruction	335,791	(258,628)	77,163	51,279	25,884
Purchased Technical Services		48,753	48,753	48,753	-
Other Purchased Services		15,000	15,000	12,577	2,423
General Supplies	32,000	171,995	203,995	203,995	-
Other Objects	-	13,476	13,476	13,436	40
Total Instruction	<u>1,401,545</u>	<u>16,131</u>	<u>1,417,676</u>	<u>1,389,329</u>	<u>28,347</u>
Support Services					
Salaries of Program Director	135,000	26,650	161,650	161,650	-
Salaries of Other Professional Staff	134,100	(30,424)	103,676	84,911	18,765
Salaries of Secretarial and Clerical Assistants	30,000	6,500	36,500	32,845	3,655
Other Salaries	78,400	(13,532)	64,868	64,484	384
Salaries of Master Teachers	70,051	(600)	69,451	69,401	50
Personnel Services - Employee Benefits	566,536	(389,813)	176,723	176,723	-
Purchased Ed. Services - Contracted Pre-K	405,000	110,355	515,355	515,355	-
Other Purchased Professional -Ed Services	30,000	(22,068)	7,932	7,932	-
Other Purchased Professional Services		15,000	15,000	6,781	8,219
Cleaning Repair and Maintenance Services		10,000	10,000	5,386	4,614
Rentals	240,000	60,000	300,000	300,000	-
Miscellaneous Purchased Services		15,000	15,000	15,000	-
Supplies and Materials		317,284	317,284	293,191	24,093
Other Objects	60,000	(60,000)	-	-	-
Total Support Services	<u>1,749,087</u>	<u>44,352</u>	<u>1,793,439</u>	<u>1,733,659</u>	<u>59,780</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	316,000	66,789	382,789	382,789	-
Noninstructional Equipment	137,304	(127,272)	10,032	9,535	497
Total Facilities Acquisition and Construction Serv	<u>453,304</u>	<u>(60,483)</u>	<u>392,821</u>	<u>392,324</u>	<u>497</u>
Total Expenditures	<u>\$ 3,603,936</u>	<u>\$ -</u>	<u>\$ 3,603,936</u>	<u>\$ 3,515,312</u>	<u>\$ 88,624</u>

Calculation of Budget Carryover

Total revised 2020-2021 Preschool Education Aid Allocation	\$ 3,104,124
Budgeted Transfer From General Fund	499,812
Add: Actual ECPA/PEA Carryover (June 30, 2019)	-
Actual Preschool Education Aid Carryover (June 30, 2020)	-
Total Preschool Ed. Aid Funds Available for 2020-2021 Budget	3,603,936
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>3,603,936</u>
Available & Unbudgeted Preschool Education Aid Funds as of 'June 30, 2021	-
Add: June 30, 2021 Unexpended Preschool Education Aid	88,624
2020-2021 C/O - Preschool Education Aid Programs	<u>\$ 88,624</u>
2020-21 Preschool Education Aid C/O Budgeted in 2020-2021	<u>\$ -</u>

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, 2021**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Project Balance June 30, 2021</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Partial Roof Replacement at School Number 7 and Belleville High School and Related Masonry and Electrical Upgrades	\$ 1,026,316	\$ 1,023,664	\$ -	\$ 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	32,814,452	13,349,812	2,372,337
Turf Field at Clearman School, Fire Doors and Acquisition of Acoustic Equipment at Belleville High School Auditorium	<u>3,500,819</u>	<u>226,650</u>	<u>2,454,325</u>	<u>819,844</u>
	<u>\$ 55,262,777</u>	<u>\$ 36,258,541</u>	<u>\$ 15,804,137</u>	<u>\$ 3,200,099</u>
<u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2021				\$ 3,200,099
Less: Bonds Authorized But Not Issued				<u>(601)</u>
Fund Balance, June 30, 2021 - GAAP Basis				<u>\$ 3,199,498</u>
<u>Reconciliation to Fund Balance</u>				
Restricted for Capital Projects				
Year End Encumbrances				\$ 3,067,437
Available for Capital Projects				<u>132,061</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 3,199,498</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, 2021**

Revenues and Other Financing Sources

Revenues

Interest and Dividends on Investments	\$ <u>8,085</u>
---------------------------------------	-----------------

Total Revenues and Other Financing Sources	<u>8,085</u>
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Expenditures and Other Financing Uses

Expenditures

Architectural/Engineering Services	331,448
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Purchased Professional/Technical Services	658,525
---	---------

Supplies and Materials	95,871
------------------------	--------

Construction Services	14,687,550
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Equipment	30,211
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Other Objects	532
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Other Financing Uses

Transfers Out - General Fund	<u>7,266</u>
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Total Expenditures and Other Financing Uses	<u>15,811,403</u>
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Excess (Deficiency) of Revenues and Other Financing Sources

Over (Under) Expenditures and Other Financing Uses	(15,803,318)
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Fund Balance- Beginning	<u>19,002,816</u>
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Fund Balance- Ending	<u>\$ 3,199,498</u>
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Reconciliation to GAAP

Fund Balance, End of Year - Budgetary Basis	<u>\$ 3,199,498</u>
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Fund Balance, June 30, 2021- GAAP	<u>\$ 3,199,498</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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease Proceeds	\$ 1,025,000		\$ 1,025,000	\$ 1,025,000
Interest Earnings	1,316	-	1,316	1,316
	<u>1,026,316</u>	<u>-</u>	<u>1,026,316</u>	<u>1,026,316</u>
Expenditures and Other Financing Uses				
Purchased Professional/Technical Services	32,964		32,964	32,964
Construction Services	989,200	-	989,200	991,852
Other Objects	1,500	-	1,500	1,500
	<u>1,023,664</u>	<u>-</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>\$ 2,652</u>	<u>\$ -</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, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Expenditures				
Salaries	7,799		7,799	20,000
Legal Services	83,592		83,592	83,592
Architectural/Engineering Services	2,020,711	123,255	2,143,966	3,464,265
Other Purchased Professional and Technical Services	931,899	658,525	1,590,424	18,740
Supplies and Materials	6,177	95,871	102,048	4,942
Construction Services	29,734,274	12,471,629	42,205,903	44,915,062
Other Objects	<u>30,000</u>	<u>532</u>	<u>30,532</u>	<u>30,000</u>
Total Expenditures and Other Financing Uses	<u>32,814,452</u>	<u>13,349,812</u>	<u>46,164,264</u>	<u>48,536,601</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 15,721,548</u>	<u>\$ (13,349,812)</u>	<u>\$ 2,371,736</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	<u>-</u>
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, 2021

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, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease Proceeds	\$ 3,226,000	\$ -	\$ 3,226,000	\$ 3,226,000
Lease Premium	274,000	-	274,000	274,000
Interest Earnings	<u>-</u>	<u>819</u>	<u>819</u>	<u>819</u>
Total Revenues and Other Financing Sources	<u>3,500,000</u>	<u>819</u>	<u>3,500,819</u>	<u>3,500,819</u>
Expenditures and Other Financing Uses				
Expenditures				
Legal Services			-	350,000
Architectural/Engineering Services	78,899	208,193	287,092	-
Construction Services	63,644	2,215,921	2,279,565	2,985,819
Equipment	<u>84,107</u>	<u>30,211</u>	<u>114,318</u>	<u>165,000</u>
Total Expenditures and Other Financing Uses	<u>226,650</u>	<u>2,454,325</u>	<u>2,680,975</u>	<u>3,500,819</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,273,350</u>	<u>\$ (2,453,506)</u>	<u>\$ 819,844</u>	<u>\$ -</u>

PROPRIETARY FUNDS

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

NOT APPLICABLE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>					
2018 School Bonds	3/22/2018	\$ 48,536,000	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%	\$ 46,010,000	\$ -
					<u>\$ 46,010,000</u>	<u>\$ -</u>	<u>\$ 1,370,000</u>	<u>\$ 44,640,000</u>	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE-PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
<u>CAPITAL LEASES</u>						
5 School Buses Refinanced	\$ 181,151	2.85%	\$ 46,013		\$ 46,013	\$ -
Boiler Replacement at School No. 8 and the Middle School and District Security Upgrades	2,193,829	2.82%	762,199		504,567	257,632
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		605,000	2,621,000
Security Cameras Project	678,725	5.08%	529,202		122,633	406,569
Security Camera System	698,034	2.78%	-	698,034	-	698,034
			4,563,414	698,034	1,278,213	3,983,235
<u>LEASE-PURCHASE AGREEMENTS</u>						
Chromebooks	847,246	3.10%	295,648	-	295,648	-
			<u>\$ 4,859,062</u>	<u>\$ 698,034</u>	<u>\$ 1,573,861</u>	<u>\$ 3,983,235</u>
				Paid by Budget Appropriation	<u>\$ 1,573,861</u>	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final to Actual</u>
REVENUES:					
Local Sources:					
Property Tax Levy	\$ 1,796,059	-	\$ 1,796,059	\$ 1,796,059	-
State Sources					
Debt Service Aid	<u>1,181,041</u>	<u>-</u>	<u>1,181,041</u>	<u>1,181,041</u>	<u>-</u>
Total Revenues	<u>2,977,100</u>	<u>-</u>	<u>2,977,100</u>	<u>2,977,100</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	1,370,000		1,370,000	1,370,000	
Interest	<u>1,607,100</u>	<u>-</u>	<u>1,607,100</u>	<u>1,607,100</u>	<u>-</u>
Total Expenditures	<u>2,977,100</u>	<u>-</u>	<u>2,977,100</u>	<u>2,977,100</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)

	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in Capital Assets	\$ 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	\$ 12,289,062
Restricted	90,310				676,149	1,694,143	2,629,937	3,873,834	4,930,274	6,429,106
Unrestricted	<u>(2,179,112)</u>	<u>(2,667,763)</u>	<u>(24,352,115)</u>	<u>(23,203,444)</u>	<u>(22,069,596)</u>	<u>(22,621,063)</u>	<u>(22,860,737)</u>	<u>(23,103,817)</u>	<u>(24,215,243)</u>	<u>(22,096,324)</u>
Total governmental activities net position	<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>\$ (9,067,432)</u>	<u>\$ (3,378,156)</u>
Business-type activities										
Net Investment in Capital Assets	\$ 139,998	\$ 107,347	\$ 79,214	\$ 203,689	\$ 144,244	\$ 101,892	\$ 60,758	\$ 42,503	\$ 34,198	\$ 33,190
Restricted	413,791									
Unrestricted		<u>261,874</u>	<u>170,029</u>	<u>202,415</u>	<u>168,548</u>	<u>116,456</u>	<u>159,570</u>	<u>315,324</u>	<u>586,716</u>	<u>1,880,278</u>
Total business-type activities net position	<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>	<u>\$ 1,913,468</u>
District-wide										
Net Investment in Capital Assets	\$ 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	\$ 12,322,252
Restricted	504,101	-	-	-	676,149	1,694,143	2,629,937	3,873,834	4,930,274	6,429,106
Unrestricted	<u>(2,179,112)</u>	<u>(2,405,889)</u>	<u>(24,182,086)</u>	<u>(23,001,029)</u>	<u>(21,901,048)</u>	<u>(22,504,607)</u>	<u>(22,701,167)</u>	<u>(22,788,493)</u>	<u>(23,628,527)</u>	<u>(20,216,046)</u>
Total district net position	<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>\$ (8,446,518)</u>	<u>\$ (1,464,688)</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".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB No. 84, "Fiduciary Activities" and revisions to the compensated absences liability.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 46,089,278
Special Education	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	13,790,800
Other Education	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	2,004,370
School Sponsored Activities and Athletics	752,773	858,266	901,700	939,711	942,304	1,125,987	1,378,097	1,270,129	1,298,940	1,390,185
Community Services	854									
Support Services:										
Tuition	4,056,220	-								
Student & Instruction Related Services	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	14,567,413
General Administrative Services	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	2,086,359
School Administrative Services	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	7,968,182
Central Administrative Services			1,314,961	1,652,492	1,687,127	1,813,496	1,788,962	2,023,229	2,128,628	2,891,109
Plant Operations and Maintenance	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	9,050,672
Pupil Transportation	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	3,028,888
Charter Schools	76,130									
Unallocated Depreciation	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	1,761,608
Total Governmental Activities Expenses	<u>64,897,900</u>	<u>68,547,297</u>	<u>75,086,390</u>	<u>77,212,666</u>	<u>81,454,672</u>	<u>89,814,281</u>	<u>93,154,963</u>	<u>92,195,271</u>	<u>92,698,371</u>	<u>104,628,864</u>
Business-Type Activities:										
Food Service	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	2,295,805
Total Business-Type Activities Expense	<u>2,053,616</u>	<u>2,069,270</u>	<u>2,128,248</u>	<u>2,114,192</u>	<u>2,115,354</u>	<u>2,174,321</u>	<u>1,907,017</u>	<u>2,467,193</u>	<u>2,145,825</u>	<u>2,295,805</u>
Total District Expenses	<u>\$ 66,951,516</u>	<u>\$ 70,616,567</u>	<u>\$ 77,214,638</u>	<u>\$ 79,326,858</u>	<u>\$ 83,570,026</u>	<u>\$ 91,988,602</u>	<u>\$ 95,061,980</u>	<u>\$ 94,662,464</u>	<u>\$ 94,844,196</u>	<u>\$ 106,924,669</u>
Program Revenues										
Governmental Activities:										
Charges for Services			35,448	151,999	230,509	181,435	181,187	141,378	40,644	123,046
Operating Grants and Contributions	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	38,404,754
Capital Grants and Contributions	-	-	5,657	8,697	87,646	154,984	107,711	40,348	64,958	247,504
Total Governmental Activities Program Revenues	<u>5,492,802</u>	<u>8,800,769</u>	<u>11,494,852</u>	<u>19,607,678</u>	<u>23,650,166</u>	<u>29,458,655</u>	<u>31,001,655</u>	<u>26,753,611</u>	<u>25,404,347</u>	<u>38,775,304</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services										
Food Service	\$ 655,259	\$ 613,357	\$ 706,289	\$ 673,996	\$ 666,206	\$ 650,743	\$ 643,355	\$ 735,937	\$ 454,073	\$ -
Operating Grants and Contributions	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	3,587,941
Total Business Type Activities Program Revenues	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	3,587,941
Total District Program Revenues	<u>\$ 7,354,674</u>	<u>\$ 10,685,252</u>	<u>\$ 13,502,948</u>	<u>\$ 21,619,401</u>	<u>\$ 25,671,731</u>	<u>\$ 31,537,996</u>	<u>\$ 32,908,361</u>	<u>\$ 29,353,301</u>	<u>\$ 27,809,650</u>	<u>\$ 42,363,245</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (65,853,560)
Business-Type Activities	(191,744)	(184,787)	(120,152)	(102,469)	(93,789)	(94,980)	(311)	132,497	259,478	1,292,136
Total District-Wide Net Expense	<u>\$ (59,596,842)</u>	<u>\$ (59,931,315)</u>	<u>\$ (63,711,690)</u>	<u>\$ (57,707,457)</u>	<u>\$ (57,898,295)</u>	<u>\$ (60,450,606)</u>	<u>\$ (62,153,619)</u>	<u>\$ (65,309,163)</u>	<u>\$ (67,034,546)</u>	<u>\$ (64,561,424)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 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	\$ 42,473,162
Debt Service Levy								1,604,063	1,892,376	1,796,059
Unrestricted Grants and Contributions	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	25,990,341
Restricted Grants and Contributions		69,485							1,385,574	543,491
Tuition Received	26,699		-							
Investment Earnings	4,900									
Miscellaneous Income	171,780	93,266	91,045	113,690	286,923	161,086	736,630	1,928,687	813,070	739,783
Capital Assets Retired Net of Accumulated Depreciation	(9,329)									
Transfers	(276,383)			(105,000)						
Total Governmental Activities	<u>60,146,770</u>	<u>59,196,759</u>	<u>56,521,404</u>	<u>59,241,153</u>	<u>60,166,456</u>	<u>61,352,332</u>	<u>63,912,428</u>	<u>66,588,681</u>	<u>70,224,431</u>	<u>71,542,836</u>
Business-Type Activities:										
Investment Earnings	189	219	174	176	477	536	2,291	5,002	3,609	418
Transfers	276,383			105,000						
Total Business-Type Activities	<u>276,572</u>	<u>219</u>	<u>174</u>	<u>105,176</u>	<u>477</u>	<u>536</u>	<u>2,291</u>	<u>5,002</u>	<u>3,609</u>	<u>418</u>
Total District-Wide	<u>\$ 60,423,342</u>	<u>\$ 59,196,978</u>	<u>\$ 56,521,578</u>	<u>\$ 59,346,329</u>	<u>\$ 60,166,933</u>	<u>\$ 61,352,868</u>	<u>\$ 63,914,719</u>	<u>\$ 66,593,683</u>	<u>\$ 70,228,040</u>	<u>\$ 71,543,254</u>
Change in Net Position										
Governmental Activities	\$ 741,672	\$ (549,769)	\$ (7,070,134)	\$ 1,636,165	\$ 2,361,950	\$ 996,706	\$ 1,759,120	\$ 1,147,021	\$ 2,930,407	\$ 5,689,276
Business-Type Activities	84,828	(184,568)	(119,978)	2,707	(93,312)	(94,444)	1,980	137,499	263,087	1,292,554
Total District	<u>\$ 826,500</u>	<u>\$ (734,337)</u>	<u>\$ (7,190,112)</u>	<u>\$ 1,638,872</u>	<u>\$ 2,268,638</u>	<u>\$ 902,262</u>	<u>\$ 1,761,100</u>	<u>\$ 1,284,520</u>	<u>\$ 3,193,494</u>	<u>\$ 6,981,830</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted					\$ 676,149	\$ 1,579,805	\$ 2,614,685	\$ 3,858,582	\$ 4,741,995	\$ 6,282,364
Committed								159,300		-
Assigned	\$ 1,783,404	\$ 411,044	\$ 584,066	\$ 551,059	966,275	893,042	1,407,696	1,064,075	1,043,033	1,813,137
Unassigned	<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>	<u>(2,425,035)</u>
Total General Fund	<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>\$ 3,349,260</u>	<u>\$ 5,670,466</u>
All Other Governmental Funds										
Restricted		898,000	148,543	1,308,242	1,650,496	755,108	47,617,988	34,440,663	19,142,218	3,343,588
Unassigned	-	-	-	-	-	-	-	-	(87,858)	(216,954)
Total all other governmental funds	<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>\$ 19,054,360</u>	<u>\$ 3,126,634</u>

Note - Fund Balances at June 30, 2020 are restated to reflect the implementation of GASB No. 84, "Fiduciary Activities".

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 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	\$ 44,269,221
Tuition	26,899		21,168	151,649	230,509	181,435	181,187	107,063	29,144	39,334
Transportation Fees			14,280	350				34,315	11,500	-
Miscellaneous	176,528	93,266	116,401	144,339	286,276	187,963	653,948	1,862,134	647,786	494,738
State Sources	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	51,219,682
Federal Sources	3,460,554	2,474,572		2,304,352	3,182,483	2,747,104	2,837,765	2,974,068	2,791,913	5,094,318
Private Sources	28,618	69,485	-	-	-	-	-	-	-	-
Total revenue	65,925,231	67,997,528	65,550,239	72,220,071	74,790,508	76,386,057	80,058,585	86,372,746	91,698,849	101,117,293
Expenditures										
Instruction										
Regular Instruction	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	41,115,125
Special Education Instruction	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	12,709,966
Other Instruction	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	1,771,452
School Sponsored Activities and Athletics	570,048	663,163	871,950	922,027	909,795	1,042,918	1,110,925	1,143,444	1,225,156	1,250,249
Community Service Programs	854									
Support Services:										
Instruction - Tuition	4,056,220									
Student & Inst. Related Services	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	13,398,355
General Administrative			1,702,703	2,085,684	2,665,188	2,171,704	2,097,127	2,036,551	1,988,873	2,004,391
School Administrative Services	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	7,166,157
Central Administrative Services			1,280,768	1,523,341	1,624,441	1,702,511	1,584,020	1,933,306	2,141,175	2,808,279
Other Administrative Services	1,918,343	2,229,402	-							
Operations and Maintenance	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	7,082,896
Pupil Transportation	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	2,909,913
Unallocated Benefits	15,320,377	16,611,562								
Transfer to Charter Schools	76,130									
Debt Service										
Principal		375,339	734,819	1,490,947	1,916,388	1,830,984	2,136,698	1,885,123	3,913,753	3,360,104
Interest			54,313	82,028	107,605	111,972	92,727	1,707,986	1,718,089	1,861,509
Capital Outlay	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	17,983,451
Total Governmental Fund Expenditures	64,023,128	70,786,877	76,058,855	73,535,936	75,432,346	76,433,326	80,658,870	99,278,627	111,061,588	115,421,847
Excess (Deficiency) of revenues over (under) expenditures	1,902,103	(2,789,349)	(10,508,616)	(1,315,865)	(641,838)	(47,269)	(600,285)	(12,905,881)	(19,362,739)	(14,304,554)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing sources (uses)										
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	\$ 698,034
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	507,078
Transfers out	\$ (694,930)			(105,000)			(214,809)	(214,809)	(447,298)	(507,078)
State Aid Advance Loan Proceeds			-	4,162,426						
Total other financing sources (uses)	(694,930)	1,937,873	2,186,035	7,380,938	2,193,829	-	48,942,923	587,257	4,178,725	698,034
Net change in fund balances	\$ 1,207,173	\$ (851,476)	\$ (8,322,581)	\$ 6,065,073	\$ 1,551,991	\$ (47,269)	\$ 48,342,638	\$ (12,318,624)	\$ (15,184,014)	\$ (13,606,520)
Debt service as a percentage of noncapital expenditures	0.00%	0.54%	1.08%	2.21%	2.76%	2.58%	2.84%	4.18%	6.21%	5.36%

* 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 / Rebate</u>	<u>Other Misc.</u>	<u>Total</u>
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
2021	39,334		3,725	2,991	484	153,075	37,857		\$ 96,990	64,480	398,936

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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	\$ 1.1990
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
2021	33,351,000	2,330,139,600		359,664,800	127,916,200	237,715,700	3,088,787,300	6,900,507	3,095,086,083	3,294,805,364	1.452

Source: County Abstract of Ratables

^a Tax rates are per \$100

**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		
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
2021	1.452	1.833	0.510		3.795

Source: Municipal Tax Collector

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

Taxpayer	2021		2012	
	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%	36,722,900	1.34%
Clara Maass Health Systems	22,490,064	0.72%	8,801,200	0.32%
432 Owners, Inc	21,635,800	0.70%	17,250,000	0.63%
Route 21 Assoc. of BLV, LLC	15,030,700	0.48%	14,435,000	0.53%
Belleville Industrial Center	13,606,200	0.44%	12,505,600	0.46%
SROA Belleville Property, LLC	13,207,100	0.43%		0.00%
PSE&G Co.	12,598,200	0.41%	-	0.00%
Bellevue Gardens, LLC	11,966,900	0.39%	8,000,000	0.29%
Oster Belleville Properties, LLC	11,802,400	0.38%	11,405,000	0.41%
Belleville Industrial Properties		0.00%	10,997,700	0.40%
Belleville Center, LLC		0.00%	10,804,200	0.39%
SH 726 LLC	9,800,300	0.32%	7,900,000	0.29%
	<u>\$ 166,477,464</u>	<u>5.36%</u>	<u>\$ 138,821,600</u>	<u>5.05%</u>

Source: Municipal Tax Assessor

**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	
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%	
2021	44,269,221	44,269,221	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			
2012				-	35,914	-
2013		;		\$ -	35,845	\$ -
2014		2,815,293	\$ 198,458	3,013,751	35,876	84
2015		4,731,651	114,665	4,846,316	35,922	135
2016		5,540,000		5,540,000	35,950	154
2017		4,125,259		4,125,259	35,994	115
2018	\$ 48,536,000	2,547,481	264,246	51,347,727	35,977	1,427
2019	46,010,000	1,343,586	582,261	47,935,847	36,630	1,309
2020	46,010,000	4,563,414	295,648	50,869,062	36,644	1,388
2021	44,640,000	3,473,472	-	48,113,472	36,446	1,320

* 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 ^a of Property	Per Capita
	General Obligation Bonds	Deductions			
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%	\$ 1,349
2019	48,536,000		48,536,000	1.56%	1,325
2020	46,010,000		46,010,000	1.48%	1,256
2021	44,640,000		44,640,000	1.44%	1,225

Source: District records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2020
 (Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Belleville Township School District (as of June 30, 2021)	\$ 44,640,000
Township of Belleville	<u>37,941,506</u>
	<u>82,581,506</u>
Overlapping Debt Apportioned to the Municipality:	
Essex County:	
County of Essex (A)	23,342,066
Passaic Valley Sewerage Authority (B)	<u>4,920,699</u>
Total Overlapping Debt	<u>28,262,765</u>
Total Direct and Overlapping Debt	<u>\$ 110,844,271</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 2021

	Equalized valuation basis
	2020 \$ 3,261,154,073
	2019 \$ 3,134,416,726
	2018 <u>\$ 2,843,889,511</u>
	<u>\$ 9,239,460,310</u>
Average equalized v Average equalized valuation of taxable property	<u>\$ 3,079,820,103</u>
Debt limit (4 % of average equalization value)	\$ 123,192,804
Total Net Debt Applicable to Limit	<u>44,640,601</u>
Legal debt margin	<u>\$ 78,552,203</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 123,192,804
Total net debt applicable to limit	-	-	-	-	-	-	48,536,601	48,536,601	46,010,601	44,640,601
Legal debt margin	<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>	<u>\$ 78,552,203</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%	44.32%	44.01%	39.63%	36.24%

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>
2012	35,914	\$ 51,948	10.80%
2013	35,845	54,224	9.50%
2014	35,876	55,054	7.90%
2015	35,922	55,808	6.30%
2016	35,950	58,487	5.40%
2017	35,994	60,840	5.20%
2018	35,977	62,334	4.60%
2019	36,630	64,232	4.50%
2020	36,644	65,214	11.90%
2021	36,446	67,657	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>Employer</u>	<u>2021</u>		<u>2012</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)

<u>Function/Program</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>	<u>2021</u>
Instruction										
Regular	242.0	327.0	249.0	270.0	293.0	238.0	229.0	250.0	254.0	288.0
Special Education	84.0	45.0	144.0	138.0	45.0	70.0	53.0	73.0	77.0	76.0
Other Special Education	40.0	28.0	29.0	29.0	44.0	104.0	107.0	103.0	108.0	118.0
Other Instruction			1.0	1.0	1.0	-	-			
Support Services:										
Student and Instruction Related Services	57.0	56.0	69.0	67.0	33.0	51.0	33.0	33.0	33.0	35.0
General Administrative Services	6.0	5.0		5.0	5.0	11.0	-	-		
School Administrative Services	32.0	27.0	39.0	42.0	21.0	17.0	35.0	35.0	35.0	35.0
Central Services	6.0	8.0	6.0	7.0	7.0	10.0	50.0	50.0	50.0	50.0
Administrative Information Technology	2.0	1.0	1.0	1.0	4.0	3.0	3.0	7.0	7.0	8.0
Plant Operations and Maintenance	42.0	59.0	50.0	47.0	36.0	39.0	36.0	36.0	36.0	46.0
Pupil Transportation	2.0	15.0	36.0	35.0	15.0	14.0	26.0	26.0	26.0	28.0
Other Support Services		18.0	23.0	23.0	16.0	15.0	63.0	63.0	63.0	51.0
Total	<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>	<u>735.0</u>

Source: District Personnel Records

N/A - Information is not available.

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

Teacher/Pupil Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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%
2021	4,515	92,216,783	20,425	9.28%	444	15.4	14.7	15.8	4,386.3	4,261.1	-3.15%	97.15%

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Preschool</u>										
Hornblower Early Childhood Center										
Square Feet										7,340
Capacity Students										75
Enrollment										66
<u>Elementary</u>										
School Three										
Square Feet	43,852	43,852	43,852	42,852	42,852	42,852	48,852	48,852	48,852	48,852
Capacity Students	299	299	299	299	299	299	299	299	299	299
Enrollment	379	388	342	341	338	306	343	389	350	330
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	410	368	374	360	349	322	427	459	478
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	413	339	347	308	328	355	424	401	384
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	378	364	370	396	388	380	431	450	397
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	542	465	447	430	430	442	511	498	470
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	156	119	114	116	127	127	134	138	122

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

	<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>	<u>2021</u>
<u>District Building</u>										
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	214	166	163	148	166	168	171	151	158
<u>Middle School</u>										
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	667	1,046	1,046	1,024	974	973	621	711	741
<u>High School</u>										
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	1,443	1,510	1,460	1,404	1,388	1,378	1,356	1,393	1,341
<u>Other</u>										
School One										
Square Feet	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, 2021										
Preschool - 1										
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>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>	<u>2021</u>
School Facilities										
School Three	\$ 94,660	\$ 90,411	\$ 115,324	\$ 76,151	\$ 65,827	\$ 71,216	\$ 88,401	\$ 89,785	\$ 92,859	\$ 49,199
School Four	104,830	74,583	95,135	62,820	54,303	58,749	72,925	74,067	76,603	193,284
School Five	53,009	51,547	65,751	;	37,531	40,603	50,401	51,190	52,943	75,529
School Seven	47,811	95,438	121,736	80,385	69,487	75,175	93,316	94,777	98,022	101,553
School Eight	80,265	102,985	131,363	86,742	74,982	81,120	100,695	102,272	105,774	106,584
School Nine	101,867	63,923	81,537	53,841	46,541	50,351	62,502	63,481	65,654	50,111
School Ten	48,564	42,567	54,297	35,854	30,993	33,530	41,622	42,274	43,721	18,297
Middle School	137,154	146,166	186,443	123,113	106,422	115,134	142,917	145,155	150,125	259,157
High School	<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>	<u>631,904</u>
Grand Total	<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>	<u>\$ 1,485,618</u>

Source: District Records

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
(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	400,000	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
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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
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 Education
Belleville Township School District
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 Township School District as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Belleville Township School District's basic financial statements and have issued our report thereon dated March 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Belleville Township School District's internal control over financial reporting (internal control) as a basis for designing 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 Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Belleville Township School District'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 have not been 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 2021-001 that we consider to be a significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Belleville Township School District'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 financial statements. 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 matter 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 2021-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Belleville Township School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 29, 2022.

Belleville Township School District's Responses to Findings

The Belleville Township School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Belleville Township School District'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 Township School District'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 Township School District'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 29, 2022



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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MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
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 Township School District
Belleville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Belleville Township School District'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 Township School District's major federal and state programs for the fiscal year ended June 30, 2021. The Belleville Township School District'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 Township School District'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 Township School District'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 Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Belleville Township School District 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, 2021.

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 2021-002, 2021-003 and 2021-004. Our opinion on each major federal and state program is not modified with respect to these matters.

The Belleville Township School District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Belleville Township School District'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 Township School District 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 Township School District'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 Township School District'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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a significant deficiency.

The Belleville Township School District'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 Township School District'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 Township School District, as of and for the fiscal year ended June 30, 2021 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 29, 2022, 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 29, 2022

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2020			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Adjustments	Balance, June 30, 2021			Memo GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor							(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Education																	
Enterprise Fund																	
National School Lunch Program - Non Cash	10.555	211NJ304N1099	7/1/20-6/30/21	\$ 188,013					\$ 188,013	\$ 173,131				\$ 14,882		-	
National School Lunch Program - Non Cash	10.555	201NJ304N1099	7/1/19-6/30/20	148,975		\$ 12,599				12,599						-	
National School Lunch Program	10.555	201NJ304N1099	7/1/19-6/30/20	1,078,926	\$ (145,199)				145,199							-	
National School Breakfast Program	10.553	201NJ304141099	7/1/19-6/30/20	712,396	(89,901)				89,901							-	
Summer Food Service Program	10.559	211NJ304N1099	7/1/20-6/30/21	3,385,841	-	-	-	-	3,086,739	3,385,841	-	-	\$ (299,102)	-	-	\$ (299,102)	
Total Child Nutrition Cluster					(235,100)	12,599	-	-	3,509,852	3,571,571	-	-	(299,102)	14,882	-	(299,102)	
NSLP Emergency Op Costs	10.558	211NJ304N1099	7/1/20-6/30/21	7,426	-	-	-	-	-	7,426	-	-	\$ (7,426)	-	-	\$ (7,426)	
Pandemic EBT Admin Costs	10.649	211NJ304N1099	7/1/20-6/30/21	3,063	-	-	-	-	-	3,063	-	-	(3,063)	-	-	(3,063)	
Total U.S Department of Agriculture					-	-	-	-	-	10,489	-	-	(10,489)	-	-	(10,489)	
Total Enterprise Fund					(235,100)	12,599	-	-	3,509,852	3,582,060	-	-	(309,591)	14,882	-	(309,591)	
General Fund																	
U.S. Department of Health and Human Services																	
Passed-through State Department of Education																	
Medical Assistance Program (SEMI)	93.778	2105NJSMAP	7/1/20-6/30/21	199,170					199,170	199,170							
U.S. Department of Homeland Security																	
FEMA	97.000	N/A	7/1/20-6/30/21	59,997						59,997			(59,997)			(59,997)	
FEMA	97.000	N/A	3/22/19-6/30/20	80,794	(80,794)	-	-	-	-	-	-	-	(80,794)	-	-	(80,794)	
Total General Fund					(80,794)	-	-	-	199,170	259,167	-	-	(140,791)	-	-	(140,791)	
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
IDEA Part B, Basic	84.027	H027A200100	7/1/20-9/30/21	1,111,842			\$ 11,679	\$ (11,679)	1,036,797	1,103,661			(86,724)	19,860		(66,864)	
IDEA Part B, Basic	84.027	H027A190100	7/1/19-9/30/20	1,110,656	(74,144)	11,679	(11,679)	11,679	62,465	-			-	-		-	
IDEA Part B, Preschool Handicapped	84.173	H173A200114	7/1/20-9/30/21	25,241	-	-	-	-	25,241	25,241	-	-	-	-	\$ -	-	
Total Special Education Cluster					(74,144)	11,679	-	-	1,124,503	1,128,902	-	-	(86,724)	19,860	-	(66,864)	
Carl D. Perkins Vocation Education	84.048A	V048A200030	7/1/20-9/30/21	53,800					46,921	44,921					2,000	-	
Carl D. Perkins Vocation Education	84.048A	V048A190030	7/1/19-6/30/20	52,977	(3,360)	3,903									543	-	
Carl D. Perkins Vocation Education	84.048A	V048A180030	7/1/18-6/30/19	51,275	(660)	-	-	-	-	-		660	-	-	-	-	
Total Carl D. Perkins Vocation Education					(4,020)	3,903	-	-	46,921	44,921	-	660	-	-	2,543	-	
ESEA - Title I, Part A	84.010	S010A200030	1/1/20-9/30/21	1,188,446			35,085	(35,085)	889,120	1,164,422			(334,411)	59,109		(275,302)	
ESEA - Title I, Part A	84.010	S010A190030	7/1/19-9/30/20	1,052,666	(242,502)	35,088	(35,085)	35,085	207,414				-	-		-	
ESEA - Title I, Part A Re-Allocated	84.010	S010A200030	7/1/20-9/30/21	120,225	-	-	-	-	64,438	64,438			(55,787)	55,787		-	
ESEA - Title I, Part A Re-Allocated	84.010	S010A190030	7/1/19-9/30/20	89,854	(49,711)	25,855	-	-	23,856				-	-		-	
ESEA - Title I, Part A Re-Allocated	84.010	S010A180030	2/1/19-9/30/19	145,533	(3,507)	-	-	-	-	-		3,507	-	-		-	
Total ESEA Title I					(295,720)	60,943	-	-	1,184,828	1,228,860	-	3,507	(390,198)	114,896	-	(275,302)	
ESEA Title II, Part A	84.367A	S367A200029	7/1/20-9/30/21	197,099			55,851	(55,851)	143,482	177,837			(109,468)	75,113		(34,355)	
ESEA Title II, Part A	84.367A	S367A190029	7/1/19-6/30/20	187,383	(96,093)	55,851	(55,851)	55,851	40,242				-	-		-	
Total ESEA Title II					(96,093)	55,851	-	-	183,724	177,837	-	-	(109,468)	75,113	-	(34,355)	

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2020			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Adjustments	Balance, June 30, 2021			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																	
Special Revenue Fund																	
ESEA Title III - Language	84.365	S365A200030	7/1/20-9/30/21	\$ 43,041				\$ 24,692	\$ (24,692)	\$ 27,665	\$ 43,441			\$ (40,068)	\$ 24,292	\$ (15,776)	
ESEA Title III - Language	84.365	S365A190030	7/1/19-09/30/20	49,250	\$ (54,365)	\$ 24,692		(24,692)	24,692	29,673	-			-	-	-	
ESEA Title III - Immigrant	84.365	S365A200030	7/1/20-9/30/21	21,650				2,361	(2,361)		14,250			(24,011)	9,761	(14,250)	
ESEA Title III - Immigrant	84.365	S365A190030	7/1/19-09/30/20	20,093	(28,688)	2,361	-	(2,361)	2,361	26,327	-	-	-	-	-	-	
Total ESEA Title III					(83,053)	27,053	-	-	-	83,665	57,691	-	-	(64,079)	34,053	(30,026)	
ESEA Title IV	84.424	S424A200031	7/1/20-9/30/21	77,825				8,860	(8,860)	61,100	76,027			(25,585)	10,658	(14,927)	
ESEA Title IV	84.424	S424A190031	7/1/19-9/30/20	65,852	(38,710)	8,859	-	(8,860)	8,860	29,851	-	-	-	-	-	-	
Total ESEA Title IV					(38,710)	8,859	-	-	-	90,951	76,027	-	-	(25,585)	10,658	(14,927)	
CARES Act	84.425D	S425D200027	3/13/20-9/30/22	893,607	(893,607)	893,607	-	-	-	893,607	891,978			-	1,629	-	
Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	533,464						533,464				-	-	-	
ESSER II	84.425D	S425D200027	3/13/20-9/30/23	3,747,907						1,567,020				(3,747,907)	2,180,887	(1,567,020)	
Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	240,521										(240,521)	240,521	-	
Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000										(45,000)	45,000	-	
Total CARES/ESSER Cluster					(893,607)	893,607	-	-	-	1,427,071	2,992,462	-	-	(4,033,428)	2,468,037	(1,567,020)	
Corona Relief Fund (CRF) Grant	21.019	N/A	3/13/20-12/31/21	405,517						405,517	405,517			-	-	-	
Digital Divide for Non-Public Schools	21.019	N/A	7/16/20-10/31/20	5,916						5,916	5,916			-	-	-	
Total CRF Cluster										411,433	411,433			-	-	-	
Total Special Revenue Fund					\$ (1,485,347)	\$ 1,061,895	\$ -	\$ -	\$ -	\$ 4,553,096	\$ 6,118,133	\$ -	\$ 4,167	\$ (4,709,482)	\$ 2,722,617	\$ 2,543	
Total Federal Awards					\$ (1,801,241)	\$ 1,074,494	\$ -	\$ -	\$ -	\$ 8,262,118	\$ 9,959,360	\$ -	\$ 4,167	\$ (5,159,864)	\$ 2,737,499	\$ 2,543	

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Transfers / Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2021			Memo	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	20-495-034-5120-0778	7/1/20-6/30/21	\$ 26,068,341			\$ 23,502,109	\$ 26,068,341				\$ (2,566,232)			\$ 26,068,341
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	25,275,095	(2,488,232)		2,488,232								-
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	3,112,840			2,806,404	3,112,840				(306,436)			3,112,840
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	3,112,840	(306,447)		306,447								-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	1,686,624			1,520,588	1,686,624				(166,036)			1,686,624
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	1,686,624	(166,041)		166,041								-
Total State Aid Public Cluster				(2,960,720)		30,789,821	30,867,805				(3,038,704)			30,867,805
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	625,449			563,877	625,449				(61,572)			625,449
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	625,449	(61,573)		61,573								-
Non-Public School Transportation	21-495-034-5120-014	7/1/20-6/30/21	80,040				80,040				(80,040)			80,040
Total Transportation Aid Cluster				(61,573)		625,450	705,489				(141,612)			705,489
Extraordinary Special Ed Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	905,634				905,634				(905,634)			905,634
Extraordinary Special Ed Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	700,745	(700,745)		700,745								-
On Behalf Payments														-
TPAF Social Security	21-495-034-5094-003	7/1/20-6/30/21	2,593,020			2,449,557	2,593,020				(143,463)		(143,463)	2,593,020
TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	2,448,221	(122,871)		122,871								-
TPAF Contributions														
Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	165,159			165,159	165,159							165,159
Pension Benefit Contribution	21-495-034-5094-002	7/1/20-6/30/21	8,680,532			8,680,532	8,680,532							8,680,532
Long Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	4,874			4,874	4,874							4,874
Post Retirement Medical Benefit Contribution	21-495-034-5094-001	7/1/20-6/30/21	2,772,102			2,772,102	2,772,102							2,772,102
Total General Fund				(3,845,909)		46,311,111	46,694,615				(4,229,413)			46,694,615
Special Revenue:														
Preschool Education Aid	21-495-034-5120-065	7/1/20-6/30/21	3,104,124			2,798,546	3,515,312	499,812			(305,578)	88,624		3,515,312
Preschool Education Aid	20-495-034-5120-065	7/1/19-6/30/20	892,452	(87,858)		87,858								-
Total Preschool Ed Aid				(87,858)		2,886,404	3,515,312	499,812			(305,578)	88,624		3,515,312
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	55,738			55,738	23,949					31,789		23,949
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	62,462	3,975		6,246								-
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	3,553			3,553			10,221					-
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	1,654	1,489		165				1,654				-
Total Auxiliary Services (Chapter 192) Cluster				5,464		65,702	23,949			11,875			35,342	23,949

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2021			Memo		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Handicapped Services:															
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	18,228			\$ 18,228	\$ 9,205					\$ 9,023		\$ 9,205	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	17,408	\$ 677		1,875		\$ 2,552						-	
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	12,952			12,952	4,856							4,856	
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	12,142	771		1,252			2,023					-	
Total Handicapped Services (Chapter 193) Cluster				1,448	-	34,307	14,061	-	4,575	-	-	17,119	-	14,061	
Textbook Aid															
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	8,308			8,308	8,308							8,308	
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	6,747	78				78						-	
Nursing Services															
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	13,872			13,872	4,926					8,946		4,926	
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	12,416	2,156				2,156						-	
Nonpublic Security															
Nonpublic Security	21-100-034-5120-509	7/1/20-6/30/21	23,800			23,800	13,212					10,588		13,212	
Nonpublic Security	20-100-034-5120-509	7/1/19-6/30/20	19,200	1,216					1,216					-	
Alyssa's Law School Security Grant	20E00620	7/1/20-6/30/21	252,042				166,060			(252,042)	85,982		(166,060)	166,060	
Advanced Computer Science	19E00120	1/15/19-6/30/20	80,558	(5,042)		5,042								-	
NJ Department of Environment Protection															
Equipment Modernization Program - Electric School Buses	069G		834,604				820,704			(834,604)	13,900		(820,704)	820,704	
Total Special Revenue Fund				(82,538)	-	3,037,435	4,566,532	499,812	19,900	(1,392,224)	188,506	71,995	(986,764)	4,566,532	
Debt Service Fund:															
Debt Service Aid-Type II	21-495-034-5120-075	7/1/20-6/30/21	1,181,041			1,181,041	1,181,041							1,181,041	
Total Debt Service Fund				-	-	1,181,041	1,181,041	-	-	-	-	-	-	-	1,181,041
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	20,941	(2,282)		8,163	5,881						\$ -	\$ 5,881	
Total Food Service Fund				(2,282)	-	8,163	5,881	-	-	-	-	-	-	-	5,881
Total State Financial Assistance Subject to Single Audit Determination				(3,930,729)	-	50,537,750	52,448,069	499,812	19,900	(5,621,637)	188,506	71,995	(1,210,267)	52,448,069	
State Financial Assistance															
Not Subject to Major Program Determination															
General Fund															
On-Behalf TPAF Pension System															
Contributions-NCGI		7/1/20-6/30/21	165,159			(165,159)	(165,159)							(165,159)	
On-Behalf TPAF Pension System															
Contributions- Pension Benefit		7/1/20-6/30/21	8,680,532			(8,680,532)	(8,680,532)							(8,680,532)	
On-Behalf TPAF Long Term															
Disability Insurance		7/1/20-6/30/21	4,874			(4,874)	(4,874)							(4,874)	
On-Behalf TPAF Post-Retirement Medical															
Contribution		7/1/20-6/30/21	2,772,102			(2,772,102)	(2,772,102)							(2,772,102)	
Total State Financial Assistance Subject to Major Program Determination				\$ (3,930,729)	\$ -	\$ 38,915,083	\$ 40,825,402	\$ 499,812	\$ 19,900	\$ (5,621,637)	\$ 188,506	\$ 71,995	\$ (1,210,267)	\$ 40,825,402	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Belleville Township School District. 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 \$282,872 for the general fund and a decrease of \$1,748,312 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	\$ 259,167	\$ 46,411,743	\$ 46,670,910
Special Revenue Fund	4,835,151	3,626,898	8,462,049
Debt Service Fund		1,181,041	1,181,041
Food Service Fund	3,582,060	5,881	3,587,941
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 8,676,378</u>	<u>\$ 51,225,563</u>	<u>\$ 59,901,941</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 \$2,593,020 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$8,845,691; TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,772,102 and TPAF Long-Term Disability Insurance in the amount of \$4,874 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to basic financial statements noted? X yes no

Federal 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 weaknesses? 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 Title 2 Part 200 of U.S. Uniform Guidance? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES/ESSER Cluster</u>
<u>21.019</u>	<u>N/A</u>	<u>Corona Relief Fund Cluster</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)?

 X yes _____ 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>21-495-034-5120-078</u>	<u>Equalization Aid - State Aid Public Cluster</u>
<u>21-495-034-5120-084</u>	<u>Security Aid - State Aid Public Cluster</u>
<u>21-495-034-5120-089</u>	<u>Special Education Aid - State Aid Public Cluster</u>
<u>21-495-034-5120-044</u>	<u>Extraordinary Special Education Aid</u>
<u>21-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

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

\$ 1,224,762

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, 2021**

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 2021-001

Our audit of year end purchase orders in the General Fund and Special Revenue Fund revealed certain encumbrances were deemed overstated at June 30, 2021. Additionally, we noted certain accounts payable at year end in the General Fund and Food Service Fund that were for 2021/2022 school year services.

Criteria or Specific Requirement

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

Condition

Encumbrances reported in the General and Special Revenue Funds at June 30, 2020 were deemed invalid and should have been cancelled at year end. Account payable recorded at year end in the General and Food Service Funds were for the 2021/2022 school year and were inappropriately charged to the 2020/2021 school year.

Context

- Invalid encumbrances totaling \$409,770 were reported in the General Fund at June 30, 2021.
- Invalid encumbrances totaling \$181,078 were reported in the Special Revenue Fund at June 30, 2021.
- Accounts payable totaling \$252,575 in the General Fund at June 30, 2021 were for 2021/2022 school year services.
- Accounts payable totaling \$25,416 in the Food Service Fund at June 30, 2021 were for 2021/2022 school year services.

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 open purchase orders are reviewed at year end for validity and proper year charge and invalid encumbrances be cancelled accordingly.

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, 2021**

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, 2021**

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 2021-002

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:

- Numerous purchases and contracts awarded through local cooperative purchasing programs were not approved in the minutes.
- We noted contracts for substitute staffing services with payments made in excess of the bid threshold, were not awarded through a public bid or competitive contracting process and did not include a not to exceed contract amount.
- The District did not submit to the Office of the State Comptroller the post award notice for certain contract awards which exceeded the reporting threshold as required by NJSA 52:15c-10.
- Purchases in excess for the bid threshold made through National Cooperative Purchasing programs were not approved in the minutes and were not publicly advertised for intent to purchase. In addition, documentation was not provided to support verification of bid process or proof of cost savings. In addition one contract awarded for renovations was not permitted to be awarded under a National Cooperative agreement.
- Proof of advertisement for certain contracts awarded through a public bid process were unavailable for audit. In addition, the advertisement for a professional service contract award in excess of the bid threshold was also not available for audit.
- A resolution renewing a contract for construction manager services did not indicate the renewal amount or amended amount from the original contract award.
- Several vendors paid in excess of the quote threshold had no documentation available to support multiple vendor quotes were sought.
- Numerous political contribution disclosure forms (PCDF) were not available for audit.

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.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021-002 (Continued)

Questioned Costs:

Unknown.

Context:

- Purchases made through local cooperative purchasing programs for technology supplies, school supplies, electric school buses, furniture and equipment which exceeded the bid threshold were not approved in Board minutes.
- Substitute staffing service payments totaled \$786,339 for the 2020/2021 school year.
- Post award notices were not submitted to the Office of the State Comptroller for three (3) contract awards which exceeded \$2.5 million during the 2020/2021 school year.
- Purchases made from two (2) National Cooperative Purchasing programs were not made in accordance with the procedures required by State procurement guidelines.
- Proof of bid solicitation advertisements were not provided for audit for three (3) bids awarded by the District. In addition, the advertisement of a professional services contract award approved by the Board was not available for audit.
- The renewal of the construction managers contract did not indicate the amount of the additional services approved by the Board.

Effect:

Noncompliance with requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

Continued efforts be made to improve 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 and State procurement regulations.

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, 2021**

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 2021-003

Certain pensionable wages covered by the Teachers' Pension and Annuity Fund that were funded by the Federal ESSER II program were excluded from the calculation to reimburse the State for on behalf social security and pension contributions (NJSA 18A:66-90).

State program information:

Reimbursed TPAF Social Security	495-034-5094-003
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Criteria or specific requirement:

State Grant Compliance Supplement – Reimbursed TPAF Social Security Contributions - Eligibility

Condition:

District employees enrolled in the TPAF pension system whose pensionable base pay was funded by the Federal ESSER II program were not included in the calculation to reimburse the State.

Questioned Costs:

Understated salaries result in a reimbursable amount of \$79,498.

Context:

TPAF pensionable salaries charged to the ESSER II grant totaled \$179,293.

Effect:

Noncompliance with reimbursed TPAF Social Security Compliance Requirements.

Cause:

Unknown.

Recommendation:

Procedures be reviewed and revised to ensure all federally funded TPAF pensionable salaries are included in the calculation to reimburse the State in accordance with NJSA 18A:66-90.

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, 2021**

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 2021-004

A review of students' Individual Education Plans (IEP) revealed certain students reported on the application for State Extraordinary Aid did not have an intensive related service specifically included in their IEP. In addition, not all student applications were provided for audit.

State program information:

Extraordinary Special Education Aid

495-034-5120-473

Criteria or specific requirement:

State Grant Compliance Supplement – Extraordinary Aid – Eligibility

Condition:

Certain students included on the Extraordinary Aid application did not receive intensive related services nor did their IEP's indicate they were required to receive such services. A minimum of one intensive related service is required to be included in a student's IEP to be eligible for Extraordinary Aid. In addition, application for students selected for testing were not provided for audit.

Questioned Costs:

Unknown.

Context:

Two (2) students tested out of ten (10) sampled did not have an intensive related service included in their IEP. The Extraordinary Aid application listed thirty-nine (39) eligible students. Student applications were not provided for audit for eight (8) of the ten (10) students tested.

Effect:

Certain students included on the Extraordinary Aid application may not have met eligibility requirements of the program.

Cause:

Unknown.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 2021-004 (Continued)

Recommendation:

Internal control procedures be reviewed and revised to ensure student IEP's specifically identify the intensive related service that is required to be provided to the respective student reported on the application for State Extraordinary Aid. In addition, all student application be provided for audit.

Views of Responsible Officials and Planned Corrective Action Plan:

Management has reviewed this finding and has 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, 2021**

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 2020-001

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.

Current Status

See Finding 2021-001.

Finding 2020-002

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 2021-002.

Finding 2020-003

Condition

Student counts reported in the On-Roll and Low-Income categories were not in agreement with supporting workpapers.

Current Status

Corrective action was taken.