

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Belleville, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Belleville Township School District

Belleville, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION



BELLEVILLE PUBLIC SCHOOLS

Office of the Business Administrator / Board Secretary

56 Ralph Street
Belleville, NJ 07109
www.bellevilleschools.org

Richard D. Tomko, Ph.D., M.B.A., M.J., M.A.E
Superintendent of Schools

Matthew J. Paladino, MS, RSBA
Business Administrator/Board Secretary
Phone: 973 450-3500 X1009
Fax: 973 547-1300
E-mail: matthew.paladino@bellevilleschools.org

February 21, 2024

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

Dear Board Members:

The annual comprehensive financial report of the Belleville School District for the fiscal year ended June 30, 2023 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 annual comprehensive 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 2022/2023 fiscal year with an enrollment of 5,146 students, which is (6.16%) more than previous year's enrollment. The district's student enrollment over the last two years is 4,847 students in 2021-2022 and 4,247 students in 2020-2021.

- 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:** Curricular changes have been consistent with the five-year curriculum cycle as well as NJSLS requirements. This ensures continuity in programming and proper funding distribution to meet the needs of anticipated curricular changes and implementation of these changes. Only the K-6 *Wonders* ELA series was extended one year due to COVID-19. Foundations (K-2) was implemented in the 22-23 school year to support phonics instruction in the primary grades. Extensive professional development was provided to support this initiative. After convening a math committee, our K-6 math enVision series was adopted with updated copyrights and curricular resources. ESL newcomers resources were purchased to support our growing ESL population. Continued attention to intervention strategies due to COVID-19 educational regressions were implemented. 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 with an emphasis on Math, ELA, and ESL. District Teacher Coaching rosters have been maintained through the local budget.. 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 and interactive TVs). As such, we continue to be a 1:1 technology district, supplying all students across the PK-12 spectrum with devices. Summer bridge programs are used to help bridge some of the gaps and reduce learning loss that originally stemmed from COVID-19.

For the 22-23 school year, the district switched its SIS from OnCourse to PowerSchool to support a more cohesive, one-stop shop for faculty and staff. Within this shift, the district moved to Schoology as their LMS. There was a shift in how teachers submitted PDPs, SGOs, lesson plans, etc. Because of this, extensive professional development was necessary to ensure our faculty and staff were supported and well-equipped for these exciting updates and changes. Although some of the platforms changed, the district continues to utilize our data collection programs 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. The district uses the STAR Renaissance data to identify RTI Tiers of supports for students. The Tier 3 students added instruction in ELA or Math that is done by our district-wide RTI Interventionists. 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 during 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, 2023. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re- appropriated are reported as reservations of fund balance as of June 30, 2023.

The district submitted a Corrective Action Plan to the Executive County Superintendent dated March 20, 2023 regarding findings from the 2021-2022 audit. The plan included areas of school purchasing practices; school food service; and facilities and capital assets 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 2022-23 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, 2023:

<u>Revenues</u>	<u>Amount</u>	<u>% of Total</u>
Local	\$45,106,520	41.29%
State Sources	63,269,870	57.92%
Federal Sources	<u>864,509</u>	<u>0.79%</u>
Total	<u>\$109,240,899</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, 2023:

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Current Expenditures:		
Instruction	\$64,006,920	55.01%
Support Services	41,615,845	35.77%
Capital Outlay	7,427,326	6.38%
Debt Service	<u>3,302,074</u>	<u>2.84%</u>
Total Expenditures	<u>\$ 116,352,165</u>	<u>100.0%</u>

- 8. **DEBT ADMINISTRATION:** On June 30, 2023 the District had \$41,785,000 in serial bonds. The District issued serial bonds in March 2018 to finance the 2017 referendum projects. The district also has outstanding capital financing agreements and totaling \$17,391,576 and leases payable totaling \$8,367,863 at June 30, 2023.
- 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 & Bliss, 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.B.A., M.J., M.A.E
 Superintendent of Schools



Matthew J. Paladino, M.S., RSBA
 Business Administrator/Board Secretary

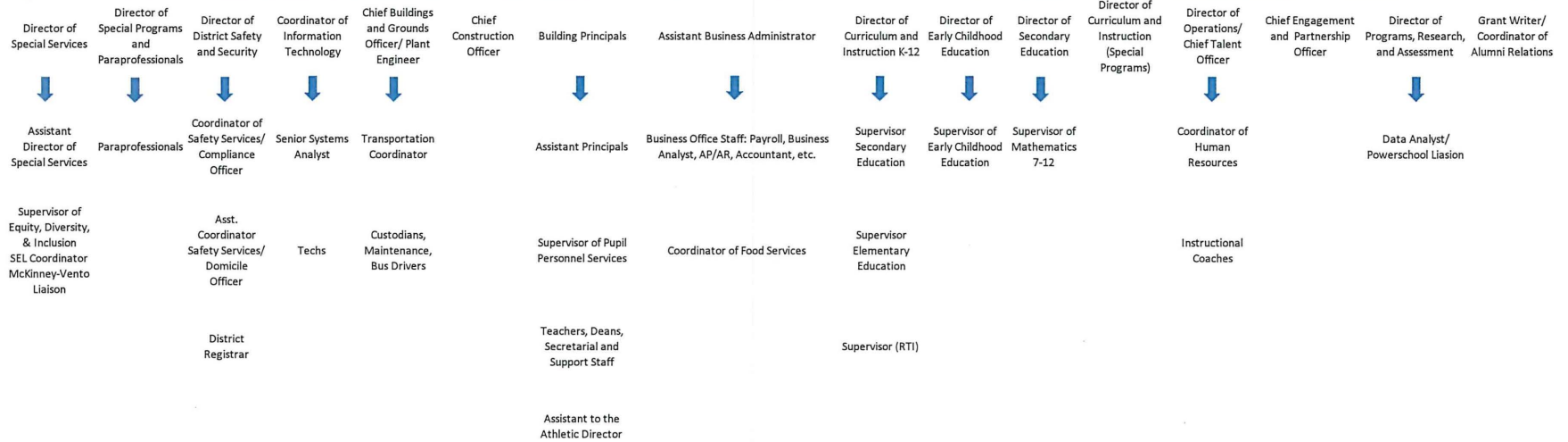
BOARD OF EDUCATION

SUPERINTENDENT OF SCHOOLS

Confidential Executive Assistant to the Superintendent

**BUSINESS ADMINISTRATOR/
BOARD SECRETARY**

Assistant to the Business Administrator



BELLEVILLE TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2023

Members of the Board of Education

Term Expires December 31

Luis Muniz, President	2025
Gabrielle Bennett – Meany, Vice President	2025
Nicole Daddis	2024
Michael Derro	2025
Erika Jacho	2023
Frank Velez	2023
Tracey Williams	2024

Other Officials

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

Matthew Paladino, Board Secretary, School Business Administrator

John Calavano, Treasurer of School Monies

The Busch Law Group, Board Attorney

Thomas Egan, State Monitor

BELLEVILLE TOWNSHIP SCHOOL DISTRICT

CONSULTANTS & ADVISORS

JUNE 30, 2023

ARCHITECT

H2M Architects + Engineers
119 Cherry Hill Road, Suite 110
Parsippany, NJ 07054

ATTORNEY

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

AUDIT FIRM

Lerch, Vinci & Bliss 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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education, as of and for the fiscal year ended June 30, 2023 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education as of June 30, 2023, 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.

Basis for Opinions

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 Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Belleville Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Belleville Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Belleville Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Belleville Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2024 on our consideration of the Belleville Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Belleville Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Belleville Board of Education’s internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 21, 2024

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

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Belleville Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Belleville Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Belleville Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,457,987. (Net Position)
- The District's total net position increased by \$229,581, or 7%.
- Overall District revenues were \$122,096,639. General revenues accounted for \$85,170,304, or 70%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$36,926,335 or 30% of total revenues.
- The school district had \$118,042,916 in expenses for governmental activities; only \$33,305,525 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted state aid) of \$85,125,901 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 \$11,757,170. Of this amount, \$11,410,349 is restricted for capital projects, \$1,666,091 is restricted for required maintenance of District facilities, \$213,755 is restricted for unemployment claims, \$178,044 is restricted for student activities, \$2,094,077 is committed and assigned to year end encumbrances, \$165,361 is assigned to insurance recovery expenditures, \$93,556 is designated for the subsequent year's budget expenditures and the remaining amount is the unassigned fund deficit of \$(4,064,063).
- The General Fund fund balance (GAAP) at June 30, 2023 was \$4,940,052, a decrease of \$2,217,957 compared to the ending fund balance at June 30, 2022 of \$7,158,009.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,658,434, which represents an increase of \$209,328 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,449,106.

BELLEVILLE BOARD OF EDUCATION

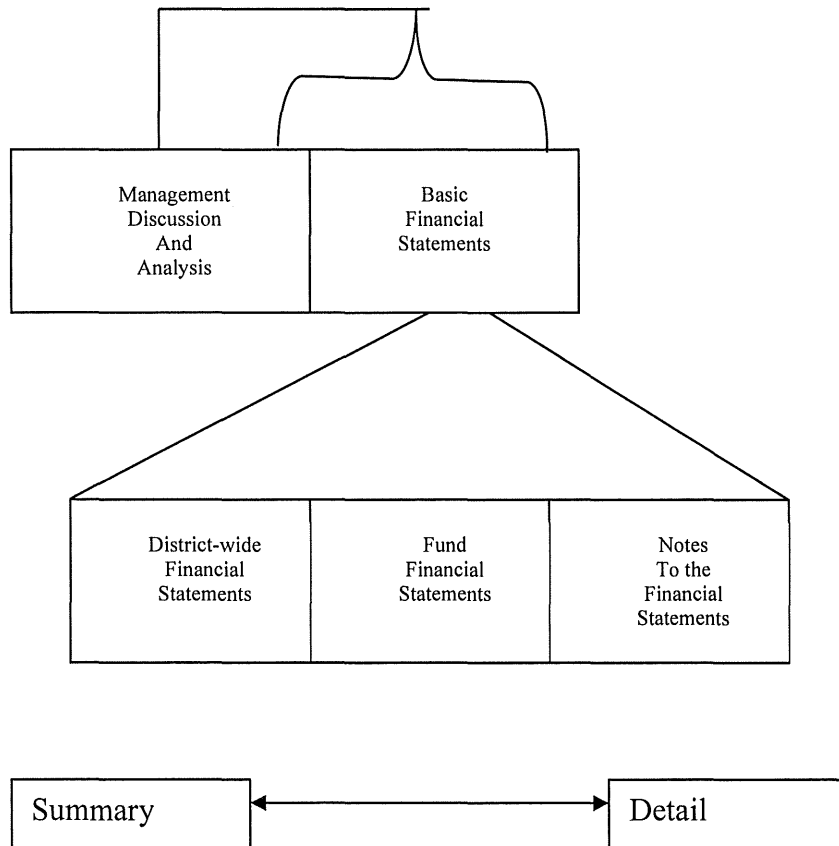
Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's 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 BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

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 (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds
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 there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows, both financial and capital, and short-term and long-term
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 BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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.

Notes to the Financial Statements

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

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$3,457,987 and \$3,228,406 on June 30, 2023 and 2022, respectively as follows:

		Net Position					
		As of June 30, 2023 and 2022					
		<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
		<u>Activities</u>		<u>Activities</u>			
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets							
Current and Other Assets		\$ 19,666,500	\$ 14,266,610	\$ 1,655,474	\$ 2,117,344	\$ 21,321,974	\$ 16,383,954
Capital Assets		<u>77,367,367</u>	<u>71,409,722</u>	<u>613,176</u>	<u>380,856</u>	<u>77,980,543</u>	<u>71,790,578</u>
Total Assets		<u>97,033,867</u>	<u>85,676,332</u>	<u>2,268,650</u>	<u>2,498,200</u>	<u>99,302,517</u>	<u>88,174,532</u>
Deferred Outflows of Resources		<u>1,003,998</u>	<u>847,988</u>	<u>-</u>	<u>-</u>	<u>1,003,998</u>	<u>847,988</u>
Liabilities							
Long-Term Liabilities		85,736,303	71,923,000			85,736,303	71,923,000
Other Liabilities		<u>8,846,409</u>	<u>7,674,858</u>	<u>260,028</u>	<u>322,101</u>	<u>9,106,437</u>	<u>7,996,959</u>
Total Liabilities		<u>94,582,712</u>	<u>79,597,858</u>	<u>260,028</u>	<u>322,101</u>	<u>94,842,740</u>	<u>79,919,959</u>
Deferred Inflows of Resources		<u>2,002,076</u>	<u>5,861,895</u>	<u>3,712</u>	<u>12,260</u>	<u>2,005,788</u>	<u>5,874,155</u>
Net Position							
Net Investment in Capital Assets		14,270,709	12,854,536	613,176	380,856	14,883,885	13,235,392
Restricted		6,135,788	5,358,469			6,135,788	5,358,469
Unrestricted		<u>(18,953,420)</u>	<u>(17,148,438)</u>	<u>1,391,734</u>	<u>1,782,983</u>	<u>(17,561,686)</u>	<u>(15,365,455)</u>
Total Net Position		<u>\$ 1,453,077</u>	<u>\$ 1,064,567</u>	<u>\$ 2,004,910</u>	<u>\$ 2,163,839</u>	<u>\$ 3,457,987</u>	<u>\$ 3,228,406</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 state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$3,457,987 at June 30, 2023 represents a \$229,581, or 7%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

Revenues	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 385,565	\$ 326,916	\$ 918,096	\$ 148,926	\$ 1,303,661	\$ 475,842
Operating Grants and Contributions	30,891,358	33,895,238	2,702,714	3,685,267	33,594,072	37,580,505
Capital Grants and Contributions	2,028,602	577,598			2,028,602	577,598
General Revenues						
Property Taxes	46,222,453	45,114,688			46,222,453	45,114,688
Unrestricted State Aid	38,262,223	30,179,536			38,262,223	30,179,536
Miscellaneous Income	641,225	362,044	44,403	1,765	685,628	363,809
Total Revenues	118,431,426	110,456,020	3,665,213	3,835,958	122,096,639	114,291,978
Expenses						
Instruction						
Regular	48,502,415	43,790,749			48,502,415	43,790,749
Special Education	13,647,621	13,351,983			13,647,621	13,351,983
Other Instruction	2,078,822	1,779,315			2,078,822	1,779,315
School Sponsored Activities and Athletics	1,724,106	1,320,951			1,724,106	1,320,951
Support Services						
Student and Instruction Related Services	14,524,060	14,295,557			14,524,060	14,295,557
General Administrative Services	2,472,606	2,017,007			2,472,606	2,017,007
School Administrative Services	8,199,466	7,551,053			8,199,466	7,551,053
Central Administrative Services	3,325,420	3,011,439			3,325,420	3,011,439
Plant Operations and Maintenance	15,808,890	12,164,019			15,808,890	12,164,019
Pupil Transportation	5,511,714	4,461,757			5,511,714	4,461,757
Interest on Long-Term Debt	2,247,796	1,881,380			2,247,796	1,881,380
Food Services	-	-	3,824,142	3,585,587	3,824,142	3,585,587
Total Expenses	118,042,916	105,625,210	3,824,142	3,585,587	121,867,058	109,210,797
Increase in Net Position	388,510	4,830,810	(158,929)	250,371	229,581	5,081,181
Net Position, Beginning of Year	1,064,567	(3,693,119)	2,163,839	1,913,468	3,228,406	(1,779,651)
Prior Period Adjustment	-	(73,124)	-	-	-	(73,124)
Net Position, End of Year	\$ 1,453,077	\$ 1,064,567	\$ 2,004,910	\$ 2,163,839	\$ 3,457,987	\$ 3,228,406

BELLEVILLE BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2023**

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$118,431,426 for the fiscal year ended June 30, 2023, property taxes of \$46,222,453 represented 39% of revenues. Another significant portion of revenues came from grants and contributions and unrestricted state aid which totaled \$71,182,183 and represented 60% of revenues for the fiscal year ended June 30, 2023.

The total cost of all governmental activities programs and services was \$118,042,916 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$65,952,964 (56%) of total expenses and support services costs were \$49,842,156 (42%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$388,510 from the previous year.

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$118,042,916. After applying program revenues, derived from operating and capital grants and contributions of \$32,919,960 and charges for services of \$385,565 the net cost of services of the District is \$84,737,391 for the fiscal year ended June 30, 2023.

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction:				
Regular	\$ 48,502,415	\$ 43,790,749	\$ 35,016,072	\$ 30,368,122
Special Education	13,647,621	13,351,983	6,951,991	5,735,704
Other Instruction	2,078,822	1,779,315	1,652,186	1,315,090
School Sponsored Activities and Athletics	1,724,106	1,320,951	1,470,005	1,007,308
Support Services:				
Student & Instruction Related Services	14,524,060	14,295,557	7,357,454	7,168,753
General Administrative Services	2,472,606	2,017,007	2,400,196	1,896,943
School Administrative Services	8,199,466	7,551,053	7,043,213	6,041,156
Central Administrative Services	3,325,420	3,011,439	3,223,543	2,790,173
Plant Operations and Maintenance	15,808,890	12,164,019	13,365,742	9,754,653
Pupil Transportation	5,511,714	4,461,757	4,768,584	3,622,399
Interest on Long Term Debt	<u>2,247,796</u>	<u>1,881,380</u>	<u>1,488,405</u>	<u>1,125,157</u>
Total	<u>\$ 118,042,916</u>	<u>\$ 105,625,210</u>	<u>\$ 84,737,391</u>	<u>\$ 70,825,458</u>

Business-Type Activities – The District’s total business-type activities revenues were \$3,665,213 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for 74% of total revenues and 25% of revenues were from charges for services and sales with the remaining revenues for interest earnings.

Total cost of all business-type activities programs and services was \$3,824,142 for the fiscal year ended June 30, 2023 all of which were for Food Service operations.

For fiscal year 2023, total business-type activities expense exceeded revenues decreasing net position by \$158,929, or 7% from the previous year.

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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 \$11,757,170 at June 30, 2023, an increase of \$4,877,179 from last year's fund balance of \$6,879,991. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$125,779,855 while total expenditures were \$138,830,665 for the fiscal year ended June 30, 2023. The District had \$17,927,989 of Other Financing Sources for the fiscal year ended June 30, 2023.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Tax Levy	\$ 44,429,078	\$ 43,322,625	\$ 1,106,453	3%
Tuition	148,373	100,734	47,639	47%
Miscellaneous	529,069	265,914	263,155	99%
State Sources	63,269,870	54,574,078	8,695,792	16%
Federal Sources	864,509	377,854	486,655	129%
Total General Fund Revenues	<u>\$ 109,240,899</u>	<u>\$ 98,641,205</u>	<u>\$ 10,599,694</u>	11%

For fiscal year 2023, total General Fund revenues increased \$10,599,694, or 11% from the previous year.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 64,006,920	\$ 56,155,570	\$ 7,851,350	14%
Support Services	41,615,845	36,406,910	5,208,935	14%
Debt Service	3,302,074	2,760,192	541,882	20%
Capital Outlay	<u>7,427,326</u>	<u>9,730,630</u>	<u>(2,303,304)</u>	-24%
Total Expenditures	<u>\$ 116,352,165</u>	<u>\$ 105,053,302</u>	<u>\$ 11,298,863</u>	11%

For fiscal year 2023, total General Fund expenditures increased \$11,298,863, or 11% from the previous year.

In fiscal year 2023, General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$2,217,957. Therefore, the total fund balance at June 30, 2022 of \$7,158,009 decreased to a fund balance of \$4,940,052 at June 30, 2023.

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the District had \$77,367,367 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$613,176 for business type activity. The following is a comparison of the June 30, 2023 and 2022 balances:

Capital Assets						
(Net of Accumulated Depreciation)						
at June 30, 2023 and 2022						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 2,236,074	\$ 797,368			\$ 2,236,074	\$ 797,368
Construction in Progress	2,032,123	487,380	\$ 143,690		2,175,813	487,380
Land Improvements	1,254,536	954,926	367,902	\$ 355,063	1,622,438	1,309,989
Buildings and Improvements	66,489,075	66,584,584			66,489,075	66,584,584
Machinery and Equipment	2,539,100	2,049,267	101,584	25,793	2,640,684	2,075,060
IT Software	2,816,459	536,197	-	-	2,816,459	536,197
	<u>2,816,459</u>	<u>536,197</u>	<u>-</u>	<u>-</u>	<u>2,816,459</u>	<u>536,197</u>
Total Capital Assets, Net	<u>\$ 77,367,367</u>	<u>\$ 71,409,722</u>	<u>\$ 613,176</u>	<u>\$ 380,856</u>	<u>\$ 77,980,543</u>	<u>\$ 71,790,578</u>

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

LONG TERM LIABILITIES

At June 30, 2023 the District had \$85,736,303 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities increased by \$13,813,303. The following is a comparison of the June 30, 2023 and 2022 balances:

Outstanding Long-Term Liabilities as of June 30, 2023 and 2022

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Bonds Payable	\$ 41,785,000	\$ 43,235,000
Capital Financing Agreements, net	17,452,158	4,697,551
Leases Payable	8,367,863	10,074,176
Compensated Absences	3,636,812	3,506,692
State Aid Advance Loan Payable	832,482	1,248,725
IT Subscription Arrangements	2,824,088	609,321
Net Pension Liability	<u>10,837,900</u>	<u>8,551,535</u>
Total	<u>\$ 85,736,303</u>	<u>\$ 71,923,000</u>

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

BELLEVILLE BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2023 General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources decreasing budgetary fund balance by \$1,392,166. However, after deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$209,328 from an unassigned fund balance of \$1,449,106 at June 30, 2022 to \$1,658,434 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$4,077,898, maintenance reserve of \$1,666,091 and unemployment compensation reserve of \$213,755.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, staffing needs special education costs 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 2023-2024 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 2023-2024. Budgeted expenditures in the General Fund increased approximately 11% to \$100,328,873 for fiscal year 2023-2024. Increases in State formula 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 Board of Education, 56 Ralph Street, Belleville, NJ.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,344,679	\$ 941,387	\$ 7,286,066
Investments	669,324		669,324
Receivables, Net	12,801,187	509,758	13,310,945
Internal Balances	(148,690)	148,690	-
Inventory		55,639	55,639
Capital Assets, Not Being Depreciated	4,268,197		4,268,197
Capital Assets, Being Depreciated, Net	<u>73,099,170</u>	<u>613,176</u>	<u>73,712,346</u>
Total Assets	<u>97,033,867</u>	<u>2,268,650</u>	<u>99,302,517</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,003,998</u>	<u>-</u>	<u>1,003,998</u>
Total Deferred Outflows of Resources	<u>1,003,998</u>	<u>-</u>	<u>1,003,998</u>
Total Assets and Deferred Outflows of Resources	<u>98,037,865</u>	<u>2,268,650</u>	<u>100,306,515</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	4,196,406	249,992	4,446,398
Payable to Other Governments	63,934		63,934
Accrued Interest Payable	943,500		943,500
Unearned Revenue	3,642,569	10,036	3,652,605
Noncurrent Liabilities			
Due Within One Year	8,599,468		8,599,468
Due Beyond One Year	<u>77,136,835</u>	<u>-</u>	<u>77,136,835</u>
Total Liabilities	<u>94,582,712</u>	<u>260,028</u>	<u>94,842,740</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,002,076		2,002,076
Deferred Commodities Revenue	<u>-</u>	<u>3,712</u>	<u>3,712</u>
Total Deferred Inflows of Resources	<u>2,002,076</u>	<u>3,712</u>	<u>2,005,788</u>
Total Liabilities and Deferred Inflows of Resources	<u>96,584,788</u>	<u>263,740</u>	<u>96,848,528</u>
NET POSITION			
Net Investment in Capital Assets	14,270,709	613,176	14,883,885
Restricted for:			
Capital Projects	4,077,898		4,077,898
Plant Maintenance	1,666,091		1,666,091
Unemployment Compensation	213,755		213,755
Student Activities	178,044		178,044
Unrestricted	<u>(18,953,420)</u>	<u>1,391,734</u>	<u>(17,561,686)</u>
	<u>\$ 1,453,077</u>	<u>\$ 2,004,910</u>	<u>\$ 3,457,987</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, 2023

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 48,502,415	\$ -	\$ 11,581,094	\$ 1,905,249	\$ (35,016,072)		\$ (35,016,072)
Special Education	13,647,621	148,373	6,547,257		(6,951,991)		(6,951,991)
Other Instruction	2,078,822		426,636		(1,652,186)		(1,652,186)
School Sponsored Activities and Athletics	1,724,106	237,192	16,909		(1,470,005)		(1,470,005)
Support Services:							
Student & Instruction Related Services	14,524,060		7,043,253	123,353	(7,357,454)		(7,357,454)
General Administrative Services	2,472,606		72,410		(2,400,196)		(2,400,196)
School Administrative Services	8,199,466		1,156,253		(7,043,213)		(7,043,213)
Central Administrative Services	3,325,420		101,877		(3,223,543)		(3,223,543)
Plant Operations and Maintenance	15,808,890		2,443,148		(13,365,742)		(13,365,742)
Pupil Transportation	5,511,714	-	743,130		(4,768,584)		(4,768,584)
Interest on Long Term Debt	2,247,796	-	759,391	-	(1,488,405)	-	(1,488,405)
Total Governmental Activities	118,042,916	385,565	30,891,358	2,028,602	(84,737,391)	-	(84,737,391)
Business-Type Activities:							
Food Service	3,824,142	918,096	2,702,714	-	-	\$ (203,332)	(203,332)
Total Business-Type Activities	3,824,142	918,096	2,702,714	-	-	(203,332)	(203,332)
Total Primary Government	\$ 121,867,058	\$ 1,303,661	\$ 33,594,072	\$ 2,028,602	(84,737,391)	(203,332)	(84,940,723)

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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, 2023

	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	\$ 44,429,078		\$ 44,429,078
Levied for Debt Service	1,793,375		1,793,375
Unrestricted State Aid	37,686,996		37,686,996
State Aid for Debt Service Principal	575,227		575,227
Miscellaneous Income	641,225	\$ 44,403	685,628
Total General Revenues	<u>85,125,901</u>	<u>44,403</u>	<u>85,170,304</u>
Change in Net Position	388,510	(158,929)	229,581
Net Position, Beginning of Year (Restated)	<u>1,064,567</u>	<u>2,163,839</u>	<u>3,228,406</u>
Net Position, End of Year	<u>\$ 1,453,077</u>	<u>\$ 2,004,910</u>	<u>\$ 3,457,987</u>

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

FUND FINANCIAL STATEMENTS

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<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	\$ 6,104,600	\$ 178,044			\$ 6,282,644
Investments			\$ 669,324		669,324
Receivables From Other Governments	109,286	5,492,771	7,125,833		12,727,890
Other Receivables	54,734	10,389			65,123
Due from Other Funds	<u>2,178,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,178,718</u>
Total Assets	<u>\$ 8,447,338</u>	<u>\$ 5,681,204</u>	<u>\$ 7,795,157</u>	<u>\$ -</u>	<u>\$ 21,923,699</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,546,164	\$ 415,211	\$ 330,706		\$ 2,292,081
Payroll Deductions and Withholdings Payable	582,213				582,213
Employee Deposits Payable	1,136,342				1,136,342
Payable to State Government	2,030	61,904			63,934
Other Liabilities	121,982				121,982
Due to Other Funds	118,555	2,076,853	132,000		2,327,408
Unearned Revenue	<u>-</u>	<u>3,642,569</u>	<u>-</u>	<u>-</u>	<u>3,642,569</u>
Total Liabilities	<u>3,507,286</u>	<u>6,196,537</u>	<u>462,706</u>	<u>-</u>	<u>10,166,529</u>
Fund Balances (Deficits)					
Restricted					
Capital Reserve	4,077,898				4,077,898
Maintenance Reserve	1,666,091				1,666,091
Unemployment Compensation Reserve	213,755				213,755
Student Activities		178,044			178,044
Capital Projects			7,332,451		7,332,451
Committed					
Year End Encumbrances	1,311,572				1,311,572
Assigned					
Year End Encumbrances	782,505				782,505
Insurance Recovery Expenditures	165,361				165,361
Designated for Subsequent Year's Expenditures	93,556				93,556
Unassigned	<u>(3,370,686)</u>	<u>(693,377)</u>	<u>-</u>	<u>-</u>	<u>(4,064,063)</u>
Total Fund Balances (Deficits)	<u>4,940,052</u>	<u>(515,333)</u>	<u>7,332,451</u>	<u>-</u>	<u>11,757,170</u>
Total Liabilities and Fund Balances	<u>\$ 8,447,338</u>	<u>\$ 5,681,204</u>	<u>\$ 7,795,157</u>	<u>\$ -</u>	<u>\$ 21,923,699</u>

**GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 11,757,170

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$113,907,281 and the accumulated depreciation is \$36,539,914.

77,367,367

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.

Deferred Outflows of Resources	\$ 1,003,998	
Deferred Inflows of Resources	<u>(2,002,076)</u>	(998,078)

The District has financed capital assets through the issuance of serial bonds, long-term financing agreements, and notes. The interest accrual at year end is:

(943,500)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

General Obligation Bonds	(41,785,000)	
Capital Financing Agreements (including unamortized premium)	(17,452,158)	
Leases Payable	(8,367,863)	
State Aid Advance Loan Payable	(832,482)	
IT Subscription Arrangements	(2,824,088)	
Compensated Absences	(3,636,812)	
Net Pension Liability	<u>(10,837,900)</u>	(85,736,303)

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

6,421

Net Position of Governmental Activities (Exhibit A-1) \$ 1,453,077

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 44,429,078			\$ 1,793,375	\$ 46,222,453
Tuition	148,373				148,373
Miscellaneous	529,069	\$ 306,509	\$ 25,028	-	860,606
Total - Local Sources	45,106,520	306,509	25,028	1,793,375	47,231,432
State Sources	63,269,870	7,316,012		1,179,275	71,765,157
Federal Sources	864,509	5,918,757	-	-	6,783,266
Total Revenues	109,240,899	13,541,278	25,028	2,972,650	125,779,855
EXPENDITURES					
Instruction					
Regular	46,706,451	5,690,127			52,396,578
Special Education	13,459,095	1,252,694			14,711,789
Other Instruction	2,231,261	70,280			2,301,541
School Sponsored Activities and Athletics	1,610,113	198,745			1,808,858
Support Services					
Student and Instruction Related Services	12,233,554	3,403,694			15,637,248
General Administrative Services	2,478,864				2,478,864
School Administrative Services	9,036,131				9,036,131
Central Administrative Services	3,300,615				3,300,615
Plant Operations and Maintenance	9,260,870				9,260,870
Pupil Transportation	5,305,811				5,305,811
Debt Service					
Principal	3,017,281	1,727,773		1,450,000	6,195,054
Interest	284,793	155,343		1,522,650	1,962,786
Capital Outlay	7,427,326	2,028,602	4,978,592	-	14,434,520
Total Expenditures	116,352,165	14,527,258	4,978,592	2,972,650	138,830,665
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(7,111,266)	(985,980)	(4,953,564)	-	(13,050,810)
OTHER FINANCING SOURCES(USES)					
Capital Financing Agreement Proceeds	2,590,356		11,900,000		14,490,356
Leases Issued	690,657				690,657
IT Subscription Arrangements	2,469,070				2,469,070
Insurance Recoveries	277,906				277,906
Transfers In	282,765	817,445	600,000		1,700,210
Transfers Out	(1,417,445)	-	(282,765)	-	(1,700,210)
Total Other Financing Sources(Uses)	4,893,309	817,445	12,217,235	-	17,927,989
Net Change in Fund Balances	(2,217,957)	(168,535)	7,263,671	-	4,877,179
Fund Balance (Deficit), Beginning of Year	7,158,009	(346,798)	68,780	-	6,879,991
Fund Balance (Deficit), End of Year	\$ 4,940,052	\$ (515,333)	\$ 7,332,451	\$ -	\$ 11,757,170

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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		\$ 4,877,179
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>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.</p>		
Capital Outlays	\$ 14,434,520	
Depreciation Expense	<u>(8,476,875)</u>	5,957,645
<p>The issuance of long term debt provides current financial resources to governmental funds, however these transactions have no effect in the statement activities.</p>		
Capital Financing Agreement Proceeds	(14,490,356)	
Leases Issued	(690,657)	
IT Subscription Arrangements	<u>(2,469,070)</u>	(17,650,083)
<p>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.</p>		
Bond Principal	1,450,000	
Capital Financing Agreements Principal	1,677,538	
Lease Principal	2,396,970	
State Aid Advance Loan Principal	416,243	
IT Subscription Arrangements Principal	<u>254,303</u>	6,195,054
<p>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.</p>		
Amortization of Premium		58,211
<p>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 increase to the reconciliation. (+)</p>		
		(343,221)
<p>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 (+).</p>		
Net Increase in Compensated Absences	(130,120)	
Net Decrease in Pension Expense	<u>1,729,464</u>	1,599,344
<p>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.</p>		
		<u>(305,619)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		\$ <u>388,510</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	Business-Type Activities Enterprise Fund	Internal Service Fund Worker's Compensation Self-Insurance Fund
	Food Service	
ASSETS		
Cash and Cash Equivalents	\$ 941,387	\$ 62,035
Intergovernmental Receivable	181,244	
Other Accounts Receivable	328,514	8,174
Due from Other Funds	148,690	
Inventories	55,639	-
Total Current Assets	1,655,474	70,209
Capital Assets		
Land Improvements	452,614	
Equipment	866,160	
Construction in Progress	143,690	
Accumulated Depreciation	(849,288)	-
Total Capital Assets, Net	613,176	-
Total Assets	2,268,650	70,209
LIABILITIES		
Current Liabilities		
Accounts Payable	249,992	
Claims and Judgements Payable		60,572
Accrued Liability for Insurance Claims		3,216
Unearned Revenue	10,036	-
Total Current Liabilities	260,028	63,788
DEFERRED INFLOWS OF RESOURCES		
Deferred Commodities Revenue	3,712	-
Total Liabilities and Deferred Inflows of Resources	263,740	63,788
NET POSITION		
Investment in Capital Assets	613,176	
Unrestricted	1,391,734	6,421
Total Net Position	\$ 2,004,910	\$ 6,421

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, 2023**

	<u>Business-Type Activities Enterprise Fund</u>	<u>Internal Service Fund Worker's Compensation Self-Insurance Fund</u>
	<u>Food Service</u>	
OPERATING REVENUES		
Local Sources		
Daily Sales - Reimbursable Programs	\$ 602,755	
Daily Sales - Non-Reimbursable Programs	315,341	
Miscellaneous Revenue	-	\$ 77,302
	<hr/>	
Total Operating Revenues	918,096	<hr/> 77,302
OPERATING EXPENSES		
Salaries and Employee Benefits	1,544,212	
Cost of Sales - Reimbursable Programs	1,386,656	
Cost of Sales - Non-Reimbursable Programs	160,755	
Rental of Land/Buildings	48,100	
Repairs & Maintenance	40,817	
Supplies and Materials	231,856	
Other Purchased Services	47,828	
Insurance	153,523	
Management Fee	81,510	
Miscellaneous Expense	68,406	
Worker's Compensation Claims		392,747
Depreciation	60,479	-
	<hr/>	
Total Operating Expenses	3,824,142	<hr/> 392,747
Operating Income (Loss)	<hr/> (2,906,046)	<hr/> (315,445)
Nonoperating Revenues		
State Sources		
School Breakfast Program	8,596	
After the Bell Program	29,527	
State School Lunch Program	49,959	
State Food Service Program	5,240	
Federal Sources		
Food Distribution Program (USDA Commodities)	316,951	
Summer Food Service Program	185,447	
School Breakfast Program	506,496	
National School Lunch Program	1,373,999	
Supply Chain Assistance	226,499	
Interest Earnings	44,403	9,826
	<hr/>	
Total Nonoperating Revenues	2,747,117	<hr/> 9,826
Changes in Net Position	(158,929)	(305,619)
Total Net Position, Beginning of Year	<hr/> 2,163,839	<hr/> 312,040
Total Net Position, End of Year	<hr/> \$ 2,004,910	<hr/> \$ 6,421

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, 2023

	Business-Type Activities Enterprise Fund	Internal Service Fund Worker's Compensation Self-Insurance Fund
	<u>Food Service</u>	
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 726,933	
Cash Received From Other Sources	-	\$ 69,128
Cash Payments for Employees Salaries and Benefits	(1,544,212)	
Cash Payments to Suppliers for Goods and Services	(1,983,426)	(347,258)
Net Cash Provided by (Used for) Operating Activities	(2,800,705)	(278,130)
Cash Flows from Noncapital Financing Activities		
Cash Received from (paid to) Other Funds	(256,390)	
Cash Received from State and Federal Subsidy Reimbursements	2,486,628	-
Net Cash Provided by (Used for) Noncapital Financing Activities	2,230,238	-
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(298,479)	-
Net Cash (Used for) Capital and Related Financing Activities	(298,479)	-
Cash Flows from Investing Activities		
Interest Earnings Received	44,403	9,826
Net Cash Provided by Investing Activities	44,403	9,826
Net Increase (Decrease) in Cash and Cash Equivalents	(824,543)	(268,304)
Cash and Cash Equivalents, Beginning of Year	1,765,930	330,339
Cash and Cash Equivalents, End of Year	\$ 941,387	\$ 62,035
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	\$ (2,906,046)	\$ (315,445)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation	60,479	
Non-Cash Federal Assistance-Food Distribution Program	316,951	
Change in Assets, Liabilities and Deferred Inflows of Resources		
(Increase)/Decrease in Other Accounts Receivable	(187,095)	(8,174)
(Increase)/Decrease in Inventory	(20,053)	
(Increase)/Decrease in Prepaid Expense		
Increase/(Decrease) in Accounts Payable	(52,325)	
Increase/(Decrease) in Claims and Judgements Payable		46,630
Increase/(Decrease) in Accrued Liability for Insurance Claims		(1,141)
Increase/(Decrease) in Unearned Revenue	(4,068)	
Increase/(Decrease) in Deferred Commodities Revenue	(8,548)	-
Total Adjustments	105,341	37,315
Net Cash Provided by (Used For) Operating Activities	\$ (2,800,705)	\$ (278,130)
Non-Cash Invest, Capital and Financing Activities:		
Value Received - Food Distribution Program	\$ 308,403	

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

NOTES TO THE FINANCIAL STATEMENTS

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Belleville Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 of Schools 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, financing agreements, grants 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 District's self-insured worker's compensation program which provides coverages to other departments or agencies of the District, 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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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, acquisitions under financing agreements, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

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

4. 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, except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.8 and E.9, respectively. 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
Right-to-use Leased Land Improvements	2
Buildings	45-50
Right-to-use Leased Buildings	2-5
Building Improvements	10-25
Heavy Equipment	10-20
Office Equipment and Furniture	5
Computer Equipment	5
Right-to-use Leased Equipment	2-5
Right-to-use IT Software	3-5

5. 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 arises only under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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

6. 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.

7. 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.

8. Leases

Leases Payable

Non-cancellable leases for the use of another entity's land, buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Subscription Bases Information Technology Arrangements (SBITAs)

Subscription arrangements for the use of another party's information technology (IT) software are recognized as a subscription liability and an intangible right-to-use IT subscription asset in the district-wide and proprietary fund type financial statements. The District recognizes subscription liabilities with an initial, individual value of \$2,000 or more. The subscription liability is subsequently reduced by the principal portion of SBITA payments made each year. The IT subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the IT subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the SBITA asset's useful life. SBITAs are monitored for changes in circumstances that would require a remeasurement of the SBITA and the IT subscription assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the subscription liability. IT subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements SBITAs are recognized as other financing sources at the initial amount of the subscription liability. Intangible right-to-use IT subscription assets are reported as capital outlay expenditures.

10. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

11. 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. Debts payable are reported with the unamortized 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 bond 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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's 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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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.

Insurance Recovery Expenditures - Represents fund balance assigned specifically for future expenditures to be funded from available insurance recovery proceeds in the General Fund.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

In the general operating fund and other governmental funds (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.

13. *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 Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education 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.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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.

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 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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. The annual budget is voted upon at the annual school election on the third Tuesday in April. 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 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$5,281,479 and the special revenue fund by \$11,483,076. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$600,000 from the general fund.

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			
Alternate Education Program			
Other Objects	\$ -	\$15,238	\$(15,238)
Community Service Programs			
Other Objects	-	52,078	(52,078)
General Administration			
Miscellaneous Expenditures	27,567	40,506	(12,939)
Administration Information Technology			
Other Purchased Services	1,245,836	1,248,879	(2,043)
Capital Outlay – Facilities Acquisition & Construction Services			
Construction Services	-	33,080	(33,080)
Transfers Out – Special Revenue Fund	787,310	817,445	(30,135)
Special Revenue Fund			
Support Services – Other Objects	119,200	149,335	(30,135)

The above variances were offset with other available resources.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$3,370,686 in the General Fund and \$693,377 in the Special Revenue Fund as of June 30, 2023 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 2022/2023 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 \$3,370,686 in the General Fund and \$693,377 in the Special Revenue Fund are equal to or less than the delayed state aid payments at June 30, 2023.

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, 2023 is as follows:

Balance, July 1, 2022		\$ 3,637,915
Increased by		
Interest Earnings	\$ 5,000	
Deposits Approved by State Monitor	1,500,000	
Return of Property Acquisition Deposit	250,000	
Return of Unencumbered Withdrawals from Capital Projects Fund	<u>7,918</u>	
Total Increases		<u>1,762,918</u>
		\$ 5,400,833
Decreased by:		
Withdrawals Approved in District Budget	722,935	
Withdrawals Approved by Board Resolution	<u>600,000</u>	
Total Decreases		<u>1,322,935</u>
Balance, June 30, 2023		<u>\$ 4,077,898</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$10,847,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

E. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$	1,368,528
Increased by			
Interest Earnings	\$	2,500	
Deposits Approved by State Monitor		<u>295,063</u>	
Total Increases			<u>297,563</u>
Balance, June 30, 2023		\$	<u>1,666,091</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,823,220.

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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2023, the book value of the Board's deposits was \$7,286,066 and bank and brokerage firm balances of the Board's deposits amounted to \$8,423,053. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 6,543,174
Uninsured and Collateralized	<u>1,879,879</u>
	<u>\$ 8,423,053</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$1,879,879 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>\$ 1,879,879</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.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had the following investments:

<u>Investment Type:</u>	<u>Fair Value</u>
N.J. Asset and Rebate Management Program (NJ ARM)	\$ <u>669,324</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2023, 669,324 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>669,324</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. As of June 30, 2023, the Board’s investment in NJ ARM was rated AAAM by Standard and Poor’s Global Rating.

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). These investments are 100% of the District’s total investments.

Fair Value of Investments. The Belleville Board of Education 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. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2023 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 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds and internal service fund, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Internal Service Fund</u>	<u>Total</u>
Receivables:						
Accounts	\$ 54,734	\$ 10,389		\$ 328,514	\$ 8,174	\$ 401,811
Intergovernmental-						-
Federal		5,482,436		173,268		5,655,704
State	89,856	10,335		7,976		108,167
Local	<u>19,430</u>	<u>-</u>	<u>\$ 7,125,833</u>	<u>-</u>	<u>-</u>	<u>7,145,263</u>
Gross Receivables	164,020	5,503,160	7,125,833	509,758	8,174	13,310,945
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 164,020</u>	<u>\$ 5,503,160</u>	<u>\$ 7,125,833</u>	<u>\$ 509,758</u>	<u>\$ 8,174</u>	<u>\$ 13,310,945</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	\$ 71,499
Grant Draw Downs for Year-End Encumbrances	<u>3,571,070</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 3,642,569</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 797,368	\$ 1,438,706		\$ 2,236,074
Construction in Progress	<u>487,380</u>	<u>1,985,541</u>	\$ (440,798)	<u>2,032,123</u>
Total Capital Assets, Not Being Depreciated	<u>1,284,748</u>	<u>3,424,247</u>	<u>(440,798)</u>	<u>4,268,197</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	78,513,787	6,796,551	-	85,310,338
Right-to-use Leased Buildings	11,319,264	690,657	-	12,009,921
Land Improvements	1,166,816	403,154		1,569,970
Right-to-use Leased Land Improvements	35,436		(35,436)	-
Machinery and Equipment	5,726,503	1,091,639	(17,700)	6,800,442
Right-to-use Leased Equipment	853,780			853,780
Right-to-use IT Software	<u>625,563</u>	<u>2,469,070</u>	<u>-</u>	<u>3,094,633</u>
Total Capital Assets Being Depreciated	<u>98,241,149</u>	<u>11,451,071</u>	<u>(53,136)</u>	<u>109,639,084</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(20,854,691)	(5,272,820)		(26,127,511)
Right-to-use Leased Buildings	(2,393,776)	(2,309,897)		(4,703,673)
Land Improvements	(215,827)	(99,607)		(315,434)
Right-to-use Leased Land Improvements	(31,499)	(3,937)	35,436	-
Machinery and Equipment	(4,342,368)	(426,977)	17,700	(4,751,645)
Right-to-use Leased Equipment	(188,648)	(174,829)		(363,477)
Right-to-use IT Software	<u>(89,366)</u>	<u>(188,808)</u>	<u>-</u>	<u>(278,174)</u>
Total Accumulated Depreciation	<u>(28,116,175)</u>	<u>(8,476,875)</u>	<u>53,136</u>	<u>(36,539,914)</u>
Total Capital Assets, Being Depreciated, Net	<u>70,124,974</u>	<u>2,974,196</u>	<u>-</u>	<u>73,099,170</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,409,722</u>	<u>\$ 6,398,443</u>	<u>\$ (440,798)</u>	<u>\$ 77,367,367</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ 143,690	-	\$ 143,690
Total Capital Assets, Not Being Depreciated	-	143,690	-	143,690
Capital Assets, Being Depreciated:				
Land Improvements	\$ 394,514	58,100	-	452,614
Machinery and Equipment	775,151	91,009	-	866,160
Total Capital Assets Being Depreciated	1,169,665	149,109	-	1,318,774
Less Accumulated Depreciation for:				-
Land Improvements	(39,451)	(45,261)		(84,712)
Machinery and Equipment	(749,358)	(15,218)	-	(764,576)
Total Accumulated Depreciation	(788,809)	(60,479)	-	(849,288)
Total Capital Assets, Being Depreciated, Net	380,856	88,630	-	469,486
Business-Type Activities Capital Assets, Net	\$ 380,856	\$ 232,320	\$ -	\$ 613,176

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

Governmental Activities:

Instruction	
Regular	\$ 548,976
Total Instruction	548,976
Support Services	
Student and Instruction Related Services	32,431
General Administrative Services	74,924
School Administrative Services	5,192
Central Services & Info. Technology	188,808
Plant Operations and Maintenance	7,281,306
Pupil Transportation	345,238
Total Support Services	7,927,899
Total Depreciation Expense - Governmental Activities	\$ 8,476,875
Business-Type Activities:	
Food Service Fund	\$ 60,479
Total Depreciation Expense-Business-Type Activities	\$ 60,479

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023:

<u>Project</u>	<u>Remaining Commitment</u>
Purchase and Installation of Playground Equipment	\$ 786,572
Purchase of Property (333-335 Ralph Street)	525,000
Purchase of Furniture for Middle School	347,670
Air Comditioning Project at Middle School	336,151
Air Comditioning Project at High School	2,591,000
Purchase of Protective Bookcases	<u>118,366</u>
 Total	 <u>\$ 4,704,759</u>

Asset Impairment and Insurance Proceeds

Insurance Proceeds

The District had insurance policies in effect at the time of the Hurricane Ida for comprehensive property damage (including flood), casualty, business interruption and other coverages. As of June 30, 2023, the insurers have remitted \$780,339 to the District. These funds are recorded as other financing sources in the General Fund. As of June 30, 2023, \$165,361 of the proceeds are unspent and have been reported as Assigned Fund Balance as the District has constrained these funds to be used to replace the items specified in the insurance claim. The District estimates that a significant portion of the Hurricane Ida related losses will be covered through grants from the Federal Emergency Management Association (FEMA) and through additional insurance recoveries.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 2,046,718
General Fund	Capital Projects Fund	132,000
Food Service Fund	General Fund	118,555
Food Service Fund	Special Revenue Fund	<u>30,135</u>
 Total		 <u>\$ 2,327,408</u>

The above balances are the result of revenues earned or appropriations raised in one fund which are due to another fund, expenditures paid by one fund on behalf of another fund and to cover cash balances which were in an overdraft position.

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

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Transfer Out:				
General Fund			\$ 600,000	\$ 600,000
General Fund		\$ 817,445		817,445
Capital Projects Fund	\$ 282,765	-	-	282,765
 Total Transfers	 <u>\$ 282,765</u>	 <u>\$ 817,445</u>	 <u>\$ 600,000</u>	 <u>\$ 1,700,210</u>

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

F. Leases

Leases Payable

On February 1, 2020, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$1,391,309. The lease has an interest rate of 3.00%. The District is required to make monthly payments of \$25,000. At the conclusion of the initial five year lease term the District has the option to renew the lease for an additional five years. As of June 30, 2023 the value of the lease liability was \$463,330. The building has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$1,391,309 and had accumulated depreciation of \$950,728.

On January 1, 2021, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$1,208,432. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$13,300 to \$23,700. At the conclusion of the initial five year lease term the District has the option to renew the lease. As of June 30, 2023 the value of the lease liability was \$672,603. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$1,208,432 and had accumulated depreciation of \$604,216.

On January 1, 2021, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$2,515,391. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$16,700 to \$52,500. At the conclusion of the initial five year lease term the District has the option to renew the lease. As of June 30, 2023 the value of the lease liability was \$1,485,057. The building has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$2,515,391 and had accumulated depreciation of \$1,257,696.

On January 1, 2021, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$140,866. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$2,500. At the conclusion of the initial five year lease term the District has the option to renew the lease. As of June 30, 2023 the value of the lease liability was \$72,631. The building has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$140,866 and had accumulated depreciation of \$70,433.

On May 1, 2021, the District entered into a five year lease agreement as lessee for the use of photo copiers. An initial lease liability was recorded in the amount of \$754,187. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$9,040 to \$13,715. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was 436,947. The equipment has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2022 is \$754,187 and had accumulated depreciation of \$326,814.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable (Continued)

On July 1, 2021, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$166,222. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$2,950. At the conclusion of the initial five year lease term the District has the option to renew the lease. As of June 30, 2023 the value of the lease liability was 102,213. The building has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$166,222 and had accumulated depreciation of \$83,111.

On November 1, 2021, the District entered into a fifty-five month lease agreement as lessee for the use of photo copiers. An initial lease liability was recorded in the amount of \$63,246. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$1,218. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was 41,080. The equipment has a 4.6 year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$63,246 and had accumulated depreciation of \$22,998.

On January 1, 2022, the District entered into a five year lease agreement as lessee for the use of a building. An initial lease liability was recorded in the amount of \$3,567,060. The lease has an interest rate of 3.00%. The District is required to make monthly payments of \$61,000 to \$68,000. At the conclusion of the initial five year lease term the District has the option to renew the lease. As of June 30, 2023 the value of the lease liability was \$2,600,331. The building has a five year estimated useful life. The value of the right-to-use asset as of June 30, 2023 is \$3,567,060 and had accumulated depreciation of \$1,070,117.

On November 11, 2021, the District entered into a five year lease agreement as lessee for the use of right to use copiers. An initial lease liability was recorded in the amount of \$26,605. The lease has an interest rate of 2.50%. The District is required to make monthly payments of \$417 to \$13,471. In addition, the District has the option to purchase the equipment for the fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$18,103. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$26,605 and had accumulated depreciation of \$7,982.

On March 15, 2022, the District entered into a five year lease agreement as lessee for the use of an athletic indoor training facility. An initial lease liability was recorded in the amount of \$2,329,984. The lease has an interest rate of 3.50%. The District is required to make monthly payments of \$24,359 to \$44,790. In addition, at the conclusion of the initial five year lease term the District has the option to renew for three (3) successive terms of five (5) years each. As of June 30, 2023 the value of the lease liability was \$1,802,108. The building has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$2,329,984 and had accumulated depreciation of \$621,328.

In April 2022, the District entered into a two year lease agreement as lessee for the use of the right to use copiers. An initial lease liability was recorded in the amount of \$9,742. The lease has an interest rate of 3.00%. The District is required to make monthly payments of \$394 to \$418. In addition, the District has the option to purchase the equipment for the fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$3,722. The equipment has a two year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$9,742 and had accumulated depreciation of \$5,683.

On May 15, 2023, the District entered into a five year lease agreement as lessee for the use of right to use office space. An initial lease liability was recorded in the amount of \$690,657. The lease has an interest rate of 5.08%. The District is required to make annual payments of \$39,505 to \$150,973. In addition, at the conclusion of the initial five year lease term the District has the option to renew the lease for an additional minimum of six (6) months. As of June 30, 2023 the value of the lease liability was \$669,738. The office space has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$690,657 and had accumulated depreciation of \$46,044.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2023 are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,637,988	\$ 232,116	\$ 2,870,104
2025	2,636,525	147,130	2,783,655
2026	2,074,141	72,835	2,146,976
2027	912,000	21,343	933,343
2028	<u>107,209</u>	<u>3,631</u>	<u>110,840</u>
Total	<u>\$ 8,367,863</u>	<u>\$ 477,055</u>	<u>\$ 8,844,918</u>

G. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

\$3,226,000 fiscal year 2020 Agreement for the installation of a turf field and various High School building improvements for a term of 5 years due in annual principal installments of \$670,000 to \$704,000 through October 1, 2024 interest at 5.00%	\$ 1,374,000
\$698,034, fiscal year 2021 Agreement for the installation of a security camera system for a term of 3 1/2 years due in a final annual principal installment of \$235,848 on July 15, 2023 interest at 2.78%	235,848
\$1,402,792, fiscal year 2022 Agreement for information technology infrastructure upgrades for a term of 5 years due in annual principal installments of \$224,959 to \$242,540 through July 31, 2026 interest at 2.54%	934,705

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

<p>\$718,136, fiscal year 2022 Agreement for the installation of a security camera system for a term of 5 years due in annual principal installments of \$137,031 to \$150,258 through July 31, 2026 interest at 3.11%</p>	<p>\$ 574,306</p>
<p>\$121,821, fiscal year 2021 Agreement for the acquisition of school buses for a term of 4 years due in annual principal installments of \$24,396 to \$24,908 through November 15, 2024 interest at 2.10%</p>	<p>49,305</p>
<p>\$226,432, fiscal year 2021 Agreement for the acquisition of school buses for a term of 4 years due in annual principal installments of \$45,330 to \$46,279 through November 15, 2024 interest at 2.10%</p>	<p>91,609</p>
<p>\$242,636, fiscal year 2023 Agreement for the acquisition of a school buses for a term of 5 years due in a annual principal installment of \$46,053 to \$50,048 on August 15, 2022 interest at 4.25%</p>	<p>190,910</p>
<p>\$1,177,367, fiscal year 2023 Agreement for information technology infrastructure upgrades for a term of 5 years due in annual principal installments of \$278,301 to \$302,224 through July 31, 2026 interest at 4.20%</p>	<p>870,540</p>
<p>\$957,125, fiscal year 2023 Agreement for information technology infrastructure upgrades for a term of 5 years due in annual principal installments of \$172,499 to \$219,976 through June 24, 2027 interest at 6.71%</p>	<p>957,125</p>
<p>\$213,228, fiscal year 2023 Agreement for the acquisition of school buses for a term of 5 years due in annual principal installments of \$38,298 to \$46,642 through August 15, 2027 interest at 5.62%</p>	<p>213,228</p>
<p>\$11,900,000, fiscal year 2023 Shared Service Agreement for the purchase and renovation of the Eastern International College for a term of 10 years due in annual principal installments of \$1,190,000 through July 1, 2032 interest at 5.0% (estimated rate subject to change)</p>	<p><u>11,900,000</u></p>
<p>Total</p>	<p><u>\$ 17,391,576</u></p>

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Financing Agreements (Continued)

Shared Service Agreement - The Board has entered into a shared service agreement with the Township of Belleville to jointly undertake the acquisition of a property formerly known as the Eastern International College – Belleville Campus and make certain improvements of this property including construction of a parking deck. The property is owned by the District and will be utilized for school as well as community facilities for various municipal purposes and programs, including athletic, recreational and community programs. The District will fund the Project through the Township’s issuance of Bonds or Notes in exchange for use of various community programs. The Board will be responsible to fund the total costs of the Project based on an initial payment of \$600,000 from the Capital Reserve and annual principal payment of \$1,190,000 over ten years. The total estimated cost of the project is \$12,500,000. The Township adopted a bond ordinance on April 22, 2022 to provide the funding for the Project. The shared service agreement is reported as a capital financing agreement.

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Capital Financing Agreements		
	Principal	Interest	Total
2024	\$ 3,268,395	\$ 535,759	\$ 3,804,154
2025	2,895,289	665,066	3,560,355
2026	2,158,681	547,888	2,706,569
2027	1,884,097	448,025	2,332,122
2028	1,235,114	329,545	1,564,659
2029-2033	<u>5,950,000</u>	<u>892,500</u>	<u>6,842,500</u>
Total	<u>\$ 17,391,576</u>	<u>\$ 3,418,783</u>	<u>\$ 20,810,359</u>

H. Subscription – Based Information Technology Arrangements (SBITAs)

In January 2022, the District entered into a forty-two (42) month SBITA for the use of student information software. An initial subscription liability was recorded in the amount of \$625,563. The SBITA has an interest rate of 2.80%. The District is required to make annual payments of \$16,242 to \$245,214. As of June 30, 2023 the value of the subscription liability was \$364,107. The software has a forty two (42) month estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$625,563 and had accumulated depreciation of \$268,098.

In March 2023, the District entered into a three year SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$55,363. The SBITA has an interest rate of 4.79%. The District is required to make annual payments of \$17,598 to \$19,324. As of June 30, 2023 the value of the subscription liability was \$55,363. The software has a three year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$55,363 and had no accumulated depreciation.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Subscription – Based Information Technology Arrangements (SBITAs) (Continued)

In October 2022 the District entered into a three year SBITA for the use of dedicated internet access software. An initial subscription liability was recorded in the amount of \$91,364. The SBITA has an interest rate of 5.08%. The District is required to make annual payments of \$28,959 to \$31,976. As of June 30, 2023 the value of the subscription liability was \$91,364. The dedicated internet access has a three year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$91,364 and had no accumulated depreciation.

In May 2023, the District entered into a five year SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$302,277. The SBITA has an interest rate of 5.08%. The District is required to make annual payments of \$9,089 to \$63,808. As of June 30, 2023 the value of the subscription liability was \$293,188. The software has a five year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$302,277 and had accumulated depreciation of \$10,076.

In April 2023, the District entered into a two year SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$324,097. The SBITA has an interest rate of 4.79%. The District is required to make annual payments of \$9,828 to \$112,550. As of June 30, 2023 the value of the subscription liability was \$324,097. The software has a two year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$324,097 and had no accumulated depreciation.

In May 2023, the District entered into a five year SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$1,695,969. The SBITA has an interest rate of 5.08%. The District is required to make annual payments of \$306,439 to 373,613. As of June 30, 2023 the value of the subscription liability was \$1,695,969. The instructional learning software has a five year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$1,695,969 and no accumulated depreciation.

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 681,842	\$ 132,768	\$ 814,610
2025	720,636	103,842	824,478
2026	562,936	71,807	634,743
2027	429,187	43,161	472,348
2028	429,487	21,345	450,832
Total	<u>\$ 2,824,088</u>	<u>\$ 372,923</u>	<u>\$ 3,197,011</u>

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. 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, 2023 are comprised of the following issues:

48,536,000, 2018 Bonds, due in annual installments of \$1,495,000 to \$2,740,000 through September 1, 2042 interest at 3.00% to 4.00% \$41,785,000

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,635,000	1,337,775	2,972,775
2028	1,685,000	1,287,975	2,972,975
2029-2033	9,285,000	5,620,576	14,905,576
2034-2038	11,195,000	3,822,737	15,017,737
2039-2043	<u>13,365,000</u>	<u>1,358,700</u>	<u>14,723,700</u>
Total	<u>\$ 41,785,000</u>	<u>\$ 17,725,263</u>	<u>\$ 59,510,263</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 2022/2023 school year.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

I. Long-Term Debt (Continued)

State Aid Advance Loan Payable (Continued)

The Board’s schedule of principal and interest for the State Aid Advance Loan outstanding is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>State Aid Advance Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 416,243		\$ 416,243
2025	<u>416,239</u>	<u>-</u>	<u>416,239</u>
Total	<u>\$ 832,482</u>	<u>\$ -</u>	<u>\$ 832,482</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 139,018,441
Less: Net Debt Issued and Authorized But Not Issued	<u>41,785,601</u>
Remaining Borrowing Power	<u>\$ 97,232,840</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

J. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, July 1, 2022 (Restated)	Additions	Reductions	Balance, June 30, 2023	Within One Year
Governmental Activities:					
Bonds Payable	\$ 43,235,000	-	\$ 1,450,000	\$ 41,785,000	\$ 1,495,000
Intergovernmental Loans					
Capital Financing Agreements	4,578,758	\$ 14,490,356	1,677,538	17,391,576	3,268,395
Add: Premium on Capital Financing Agreements	118,793	-	58,211	60,582	-
Total Capital Financing Agreements	4,697,551	14,490,356	1,735,749	17,452,158	3,268,395
State Aid Advance Loan Payable	1,248,725		416,243	832,482	416,243
Compensated Absences	3,506,692	258,707	128,587	3,636,812	100,000
Leases Payable	10,074,176	690,657	2,396,970	8,367,863	2,637,988
IT Subscription Arrangements	609,321	2,469,070	254,303	2,824,088	681,842
Net Pension Liability	8,551,535	3,191,989	905,624	10,837,900	-
Long-Term Liabilities	\$ 71,923,000	\$ 21,100,779	\$ 7,287,476	\$ 85,736,303	\$ 8,599,468

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 capital financing agreement, state aid advance loan, compensated absences, IT subscription arrangements and net pension liability are generally liquidated by the general fund.

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 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 Annual Comprehensive Financial Report.

For fiscal years prior to July 1, 2014 the District was self-insured for its worker's compensation plan for its employees. It has subsequently obtained worker's compensation insurance through the New Jersey Schools Insurance Group. Transactions related to the previous self-insurance 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, with any excess of this amount being covered by insurance policies to the statutory limit.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2023, 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 \$63,788 reported at June 30, 2023 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 worker's compensation plan for the fiscal years ended June 30, 2023 and 2022 are as follows:

Governmental Activities: or (Business-Type Activities)	<u>June 30, 2023</u>	<u>Fiscal Year Ended</u>	<u>June 30, 2022</u>
Unpaid Claims, Beginning of Year	\$ 18,299		\$ 15,110
Incurred Claims	392,747		59,981
Claim Payments	<u>(347,258)</u>		<u>(56,792)</u>
Unpaid Claims, End of Year	<u>63,788</u>		<u>18,299</u>

The District is a member of the New Jersey Schools Insurance Group (NJ SIG 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 insurance fund 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

NJ SIG 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 respective insurance funds are on file with the School's Business Administrator.

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, 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>
2023	NONE	\$ 94,056	\$ 9,244	\$ 40,198	\$ 213,755
2022	NONE	82,454	219	82,349	204,511
2021	\$ 158,044	68,019	23	-	204,292

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

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, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

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) Annual Comprehensive Financial Report (ACFR) 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.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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) Annual Comprehensive Financial Report (ACFR) 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.

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

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 905,624	\$ 12,958,643	\$ 87,810
2022	845,384	12,793,589	80,374
2021	774,320	8,845,691	52,324

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$4,776, \$4,510 and \$4,874, 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 \$3,005,930 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$10,837,900 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .07182 percent, which was a decrease of .00037 percent from its proportionate share measured as of June 30, 2021 of .07219 percent.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$823,840 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 78,223	\$ 68,982
Changes of Assumptions	33,579	1,622,863
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	448,571	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>443,625</u>	<u>310,231</u>
Total	<u>\$ 1,003,998</u>	<u>\$ 2,002,076</u>

At June 30, 2023, 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>
2023	\$ (834,382)
2024	(377,652)
2025	(187,494)
2026	382,738
2027	18,712
Thereafter	<u>-</u>
	<u>\$ (998,078)</u>

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining 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>13,923,527</u>	\$ <u>10,837,900</u>	\$ <u>8,211,907</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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 BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,255,247 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$158,112,429. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .30645 percent, which was an increase of .00783 percent from its proportionate share measured as of June 30, 2021 of .29862 percent.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 185,390,183</u>	<u>\$ 158,112,429</u>	<u>\$ 135,134,349</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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.

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

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</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 plan. 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. 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, 2023, 2022 and 2021 were \$3,404,204, \$2,989,099 and \$2,772,102, 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, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,672,043. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$142,615,098. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .28159 percent, which was an increase of .00194 percent from its proportionate share measured as of June 30, 2021 of .27965 percent.

**BELLEVILLE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>167,812,631</u>
Changes Recognized for the Fiscal Year:	
Service Cost	7,596,819
Interest on the Total OPEB Liability	3,779,457
Differences Between Expected and Actual Experience	5,307,536
Changes of Assumptions	(38,257,780)
Gross Benefit Payments	(3,743,664)
Contributions from the Member	<u>120,099</u>
Net Changes	\$ <u>(25,197,533)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>142,615,098</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>167,629,046</u>	\$ <u>142,615,098</u>	\$ <u>122,567,669</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 117,880,096	\$ 142,615,098	\$ 175,106,026

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

As of the date of this report the Board approved the appropriation of an additional \$365,737 of General Fund maintenance reserve fund balance to the 2023/24 budget.

Capital Finance Agreements / Other Financing Agreements / Leases Issued

On July 1, 2023 the District entered into a financing agreement which was partially a capital financing agreement and partially an other financing agreement in the aggregate amount of \$1,800,000 for the purchase of classroom furniture and supplies. The financing agreement is for a term of 5 years at an interest rate of 6.394% with the first payment due July 1, 2023.

On October 19, 2023 the District entered into a capital finance agreement in the amount of \$5,600,038 for the security camera and fiber cabling management services in the amount of \$1,875,338 and included the refinancing of four (4) capital leases \$2,876,646. The principal portion of the leases refinanced was \$2,778,099. The lease is for a term of 59 months at an interest rate of 7.00% with the first payment due October 30, 2023.

On September 20, 2023 the District entered into a capital finance agreement in the amount of \$146,678 for the acquisition of a 54 passenger bus. The lease is for a term of 5 years at an interest rate of 5.62% with the first payment due October 20, 2023.

On September 28, 2023 the District entered into a capital finance agreement in the total amount of \$16,772 for a photocopier. The lease is for a term of 5 years with the first payment due in October 2023.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

F. Subsequent Events (Continued)

Capital Finance Agreements / Other Financing Agreements / Leases Issued (Continued)

On December 18, 2023 the District approved a second amendment to the five year lease with Cortlandt Holding for office storage space at 22 Cortland to include an additional 2,000 square feet of space. The additional payments under this addendum total \$249,793.

On September 15, 2023 the District entered into a subscription for student integration and tracking software. The agreement is for a three year term with the beginning of the agreement starting October 1, 2023. The total payments under this arrangement will be \$100,000.

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 Board of Education, 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, 2022, the Belleville Board of Education implemented GASB Statement No. 96 "Subscription – Based Information Technology Arrangements (SBITAs) The Belleville Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2022 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2022 have been restated to reflect certain activities related to IT subscription liabilities for the intangible right-to-use IT subscription assets. The effect of this restatement is to increase governmental activities capital assets, net by \$536,197 from \$70,873,525 as previously reported to \$71,409,722 at June 30, 2022; to increase governmental activities long-term liabilities by \$609,321 from \$71,313,679 as previously reported to \$71,923,000 at June 30, 2022; and to decrease net position of governmental activities by \$73,124 from \$1,137,691 as previously reported to \$1,064,567 as of June 30, 2022.

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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 Board.

The Board has been awarded a total of \$15,101,880 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 44,429,078		\$ 44,429,078	\$ 44,429,078	
Tuition From Other LEAs Within the State	190,472		190,472	148,373	\$ (42,099)
Rents and Royalties	25,000		25,000	69,487	44,487
Interest on Maintenance Reserve	2,500		2,500	2,500	-
Interest on Capital Reserve	5,000		5,000	5,000	-
Interest on Unemployment Reserve	-		-	9,244	9,244
Interest Earnings	-		-	278,121	278,121
Unrestricted Miscellaneous Revenues	232,101	-	232,101	164,717	(67,384)
Total Local Revenues	44,884,151	-	44,884,151	45,106,520	222,369
State Sources					
Special Education Aid	3,112,840		3,112,840	3,112,840	
Equalization Aid	38,526,465		38,526,465	38,526,465	
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	680,874	180,874
Additional Non-Public Transportation Aid	-		-	89,856	89,856
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				12,781,317	12,781,317
Pension - NCGI Premium				177,326	177,326
Post Retirement Medical Benefit Contribution				3,404,204	3,404,204
Long Term Disability Insurance				4,776	4,776
Reimbursed Social Security Contribution	-	-	-	3,005,930	3,005,930
Total State Revenues	44,451,378	-	44,451,378	64,095,661	19,644,283
Federal Sources					
Federal Emergency Management Agency (FEMA)	-			632,970	632,970
CARES Act SEMI				22,592	22,592
Special Education Medicaid Initiative Reimbursement	139,745	-	139,745	182,862	43,117
Corona Virus Relief Fund	-	-	-	26,085	26,085
	139,745	-	139,745	864,509	724,764
Total Revenues	89,475,274	-	89,475,274	110,066,690	20,591,416
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	1,563,849	\$ (294,132)	1,269,717	1,269,238	479
Grades 1-5	7,255,082	(26,430)	7,228,652	7,228,652	-
Grades 6-8	5,803,827	(960,733)	4,843,094	4,839,556	3,538
Grades 9-12	9,678,974	621,731	10,300,705	10,300,704	1
Regular Programs - Home Instruction					
Salaries of Teachers	300,000	(53,532)	246,468	246,468	-
Purchased Professional-Educational Services	90,000	53,638	143,638	137,308	6,330
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	355,000	44,814	399,814	399,814	-
Purchased Professional-Educational Services	815,000	977,553	1,792,553	1,787,553	5,000
Purchased Technical Services	5,000		5,000	5,000	-
Other Purchased Services	16,700	(4,737)	11,963	11,963	-
General Supplies	1,330,000	715,795	2,045,795	1,917,808	127,987
General Supplies - Insurance Recovery Expenditures (Non-Budget)				32,800	(32,800)
Textbooks	330,000	(324,706)	5,294	5,294	-
Other Objects	11,750	(8,069)	3,681	3,681	-
Total Regular Programs	27,555,182	741,192	28,296,374	28,185,839	110,535
Special Education					
Learning / Language Disabilities					
Salaries of Teachers	812,272	(349,141)	463,131	463,131	-
Other Salaries for Instruction	230,000	(27,438)	202,562	202,562	-
Total Learning / Language Disabilities	1,042,272	(376,579)	665,693	665,693	-

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Emotional Regulation Impairment					
Salaries of Teachers	\$ 358,639	\$ (1,094)	\$ 357,545	\$ 357,545	-
Other Salaries for Instruction	77,500	(20,961)	56,539	56,539	-
Total Emotional Regulation Impairment	436,139	(22,055)	414,084	414,084	-
Multiple Disabilities					
Salaries of Teachers	213,781	3,590	217,371	217,371	-
Other Salaries for Instruction	88,500	(27,516)	60,984	60,984	-
Total Multiple Disabilities	302,281	(23,926)	278,355	278,355	-
Resource Room / Resource Center					
Salaries of Teachers	3,622,705	(93,108)	3,529,597	3,529,597	-
Other Salaries for Instruction	635,000	(120,553)	514,447	514,447	-
Total Resource Room / Resource Center	4,257,705	(213,661)	4,044,044	4,044,044	-
Autism					
Salaries of Teachers	718,843	(117,492)	601,351	601,351	-
Other Salaries for Instruction	300,000	(83,442)	216,558	216,558	-
General supplies	-	96	96	96	-
Total Autism	1,018,843	(200,838)	818,005	818,005	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	-	347,446	347,446	347,446	-
Other Salaries for Instruction	-	339,328	339,328	339,328	-
Total Preschool Disabilities - Full - Time	-	686,774	686,774	686,774	-
Home Instruction					
Salaries of Teachers	100,000	31,712	131,712	131,712	-
Total Home Instruction	100,000	31,712	131,712	131,712	-
Total Special Education	7,157,240	(118,573)	7,038,667	7,038,667	-
Basic Skills/Remedial					
Salaries of Teachers	-	208,277	208,277	208,277	-
Total Basic Skills/Remedial	-	208,277	208,277	208,277	-
Bilingual Education					
Salaries of Teachers	1,233,277	(68,900)	1,164,377	1,164,377	-
General Supplies	7,000	(6,457)	543	539	\$ 4
Total Bilingual Education	1,240,277	(75,357)	1,164,920	1,164,916	4
School Sponsored Co-Curricular Activities					
Salaries	239,150	5,190	244,340	236,159	8,181
Total School Sponsored Co-Curricular Activities	239,150	5,190	244,340	236,159	8,181
School Sponsored Athletics - Instruction					
Salaries	509,660	34,208	543,868	529,950	13,918
Purchased Education Services	20,000	1,025	21,025	21,025	-
Purchased Services	68,000	4,768	72,768	66,283	6,485
Supplies and Materials	112,250	232,767	345,017	328,061	16,956
Other Objects	72,000	22,841	94,841	72,730	22,111
Total School Sponsored Athletics - Instruction	781,910	295,609	1,077,519	1,018,049	59,470

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Alternative Education Program					
Other Objects	-	-	-	\$ 15,238	\$ (15,238)
Total Community Service Programs	-	-	-	15,238	(15,238)
Community Service Programs					
Other Objects	-	-	-	52,078	(52,078)
Total Community Service Programs	-	-	-	52,078	(52,078)
Total - Instruction	\$ 36,973,759	\$ 1,056,338	\$ 38,030,097	37,919,223	110,874
Undistributed Expenditures					
Instruction (Tuition)					
Tuition - Other LEA's Within State - Special	210,000	203,642	413,642	413,642	-
Tuition to County Vocational School District-Reg.	455,000	(57,066)	397,934	356,039	41,895
Tuition to County Vocational School/Dist.-Spec.	104,500	-	104,500	40,968	63,532
Tuition to County Special Services - School Districts & Regional Day Schools	442,491	(442,491)	-	-	-
Tuition to Private Schools - Disabled Within State	2,350,000	(415,243)	1,934,757	1,934,757	-
Total Undistributed Expenditures - Instruction (Tuition)	3,561,991	(711,158)	2,850,833	2,745,406	105,427
Health Services					
Salaries	947,788	(126,722)	821,066	821,066	-
Purchased Professional and Technical Services	100,000	1,220	101,220	81,256	19,964
Other Purchased Services	7,500	494	7,994	1,331	6,663
Supplies and Materials	50,000	(16,742)	33,258	27,811	5,447
Total Health Services	1,105,288	(141,750)	963,538	931,464	32,074
Speech, OT, PT and Related Services					
Salaries	995,351	68,494	1,063,845	1,063,712	133
Purchased Professional - Educational Services	860,000	53,747	913,747	869,339	44,408
Total Speech, OT, PT and Related Services	1,855,351	122,241	1,977,592	1,933,051	44,541
Other Support Services-Students-Extra Services					
Salaries	-	7,919	7,919	7,919	-
Purchased Professional-Educational Services	500,000	152,197	652,197	652,197	-
Total Other Support Services-Extra	500,000	160,116	660,116	660,116	-
Guidance					
Salaries of Other Professional Staff	1,548,753	26,033	1,574,786	1,574,476	310
Salaries of Secretarial and Clerical Assistants	191,769	(65,949)	125,820	125,504	316
Purchased Professional-Educational Services	7,500	(3,779)	3,721	3,720	1
Supplies and Materials	22,500	(225)	22,275	21,997	278
Total Guidance	1,770,522	(43,920)	1,726,602	1,725,697	905
Child Study Team					
Salaries of Other Professional Staff	1,928,055	(10,639)	1,917,416	1,904,673	12,743
Salaries of Secretarial and Clerical Assistants	173,254	(14,290)	158,964	158,964	-
Other Purchased Professional and Technical Services	28,500	(21,862)	6,638	1,948	4,690
Other Purchased Services	15,000	(12,500)	2,500	186	2,314
Supplies and Materials	125,000	2,396	127,396	120,062	7,334
Other Objects	1,500	(1,500)	-	-	-
Total Child Study Team	2,271,309	(58,395)	2,212,914	2,185,833	27,081
Improvement of Instruction Services					
Salaries of Other Professional Staff	150,000	(119,031)	30,969	28,854	2,115
Total Improvement of Instruction Services	150,000	(119,031)	30,969	28,854	2,115

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 360,026	\$ (4,335)	\$ 355,691	\$ 355,393	\$ 298
Supplies and Materials	50,000	55	50,055	39,918	10,137
Total Educational Media Services/School Library	<u>410,026</u>	<u>(4,280)</u>	<u>405,746</u>	<u>395,311</u>	<u>10,435</u>
Support Services General Administration					
Salaries	527,600	31,670	559,270	558,154	1,116
Salaries of State Monitors	75,000	(8,000)	67,000	61,872	5,128
Repayment of Principal -NJ DOE Loan	416,243	-	416,243	416,243	-
Legal Services	250,000	1,115	251,115	231,354	19,761
Audit Fees	125,000	37,221	162,221	80,118	82,103
Architectural/Engineering Services	125,000	265,837	390,837	199,845	190,992
Other Purchased Professional Services	20,000	40,489	60,489	57,389	3,100
Communications/Telephone	85,000	(24,703)	60,297	57,897	2,400
BOE Other Purchased Services	25,000	(20,537)	4,463	4,463	-
Miscellaneous Purchased Services	475,000	224,814	699,814	699,813	1
General Supplies	15,000	(2,904)	12,096	4,125	7,971
Judgments Against the School District	750,000	(66,221)	683,779	122,500	561,279
Miscellaneous Expenditures	20,000	7,567	27,567	40,506	(12,939)
BOE Membership Dues and Fees	36,500	7,001	43,501	43,501	-
Total Support Services General Administration	<u>2,945,343</u>	<u>493,349</u>	<u>3,438,692</u>	<u>2,577,780</u>	<u>860,912</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	2,623,351	(42,362)	2,580,989	2,580,988	1
Salaries of Other Professional Staff	1,741,428	56,278	1,797,706	1,797,222	484
Salaries of Secretarial and Clerical Assistants	1,254,070	(22,975)	1,231,095	1,231,095	-
Purchased Professional and Technical Services	-	2,625	2,625	2,625	-
Other Purchased Services	202,850	483	203,333	202,450	883
Supplies and Materials	229,375	8,720	238,095	226,225	11,870
Other Objects	-	2,959	2,959	2,959	-
Total Support Services School Administration	<u>6,051,074</u>	<u>5,728</u>	<u>6,056,802</u>	<u>6,043,564</u>	<u>13,238</u>
Central Services					
Salaries	795,913	13,157	809,070	807,494	1,576
Purchased Technical Services	31,500	21,562	53,062	51,291	1,771
Miscellaneous Purchased Services	50,000	59,584	109,584	103,051	6,533
Supplies and Materials	15,000	21,245	36,245	30,679	5,566
Interest on Lease Purchase Agreements	125,000	(16,095)	108,905	84,675	24,230
Miscellaneous Expenditures	15,000	16,486	31,486	29,625	1,861
Total Central Services	<u>1,032,413</u>	<u>115,939</u>	<u>1,148,352</u>	<u>1,106,815</u>	<u>41,537</u>
Administration Information Technology					
Salaries	631,400	(96,397)	535,003	535,003	-
Purchased Technical Services	1,075,000	(45,339)	1,029,661	896,076	133,585
Other Purchased Services	365,000	881,836	1,246,836	1,248,879	(2,043)
Supplies and Materials	375,000	(58,575)	316,425	241,276	75,149
Total Administration Information Technology	<u>2,446,400</u>	<u>681,525</u>	<u>3,127,925</u>	<u>2,921,234</u>	<u>206,691</u>
Required Maintenance for School Facilities					
Salaries	960,837	(101,824)	859,013	856,163	2,850
Cleaning, Repair & Maintenance Services	235,000	202,791	437,791	362,181	75,610
General Supplies	400,000	715,089	1,115,089	1,078,594	36,495
Total Required Maintenance for School Facilities	<u>1,595,837</u>	<u>816,056</u>	<u>2,411,893</u>	<u>2,296,938</u>	<u>114,955</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Custodial Services					
Salaries	\$ 2,737,142	\$ (240,720)	\$ 2,496,422	\$ 2,496,422	-
Cleaning, Repair and Maintenance Services	60,000	128,239	188,239	164,567	\$ 23,672
Rent of Land & Buildings Other Than Lease Purchase Agreement	1,980,000	(1,402,715)	577,285	577,285	-
Other Purchased Property Services	65,000	(15,790)	49,210	47,863	1,347
Insurance	375,000	78,923	453,923	453,923	-
General Supplies	27,500	(27,500)	-	-	-
General Supplies - Insurance Recovery Expenditures (Non-Budget)				99,547	(99,547)
Energy (Natural Gas)	375,000	(21,209)	353,791	348,249	5,542
Energy (Electricity)	475,000	164,530	639,530	639,530	-
Other Objects	4,000	(1,845)	2,155	2,155	-
Total Custodial Services	6,098,642	(1,338,087)	4,760,555	4,829,541	(68,986)
Care and Upkeep of Grounds					
Salaries	48,207	98,303	146,510	146,510	-
Cleaning, Repair and Maintenance Services	17,500	(17,500)	-	-	-
General Supplies	11,000	(8,557)	2,443	1,870	573
Total Care and Upkeep of Grounds	76,707	72,246	148,953	148,380	573
Security					
Salaries	650,000	263,753	913,753	913,753	-
Purchased Professional and Technical Services	120,000	(120,000)	-	-	-
General Supplies	4,000	543	4,543	2,967	1,576
Total Security	774,000	144,296	918,296	916,720	1,576
Student Transportation Services					
Salaries of Non-Instructional Aides	420,000	(61,479)	358,521	358,521	-
Salaries for Pupil Transportation (Between Home and School) - Regular	305,000	177,397	482,397	482,397	-
Salaries for Pupil Transportation (Between Home and School) - Special	291,000	127,577	418,577	418,577	-
Salaries for Pupil Transportation (Other Than Between Home & School)	135,000	(135,000)	-	-	-
Other Purchased Professional and Technical Services	1,350	(700)	650	650	-
Cleaning, Repair and Maintenance Services	45,000	(42,666)	2,334	212	2,122
Lease Purchase Payments - School Buses	100,000	20,407	120,407	120,407	-
Contracted Services - Aid in Lieu Payments - Non-Public Schools	300,000	17,623	317,623	298,205	19,418
Contracted Services - Aid in Lieu Payments - Charter Schools	110,000	(76,274)	33,726	27,594	6,132
Contracted Services (Between Home and School) - Vendors		63,797	63,797	63,647	150
Contracted Services (Other Than Between Home and School) - Vendors	15,000	25,755	40,755	40,755	-
Contracted Services (Spec Ed) - Joint Agreements	165,000	(165,000)	-	-	-
Contracted Services (Spec Ed) - ESC's & CTSA's	2,000,000	1,093,006	3,093,006	3,093,006	-
Contracted Services (Reg Ed) - ESC's & CTSA's	-	50,520	50,520	50,520	-
Transportation Supplies	38,500	(20,295)	18,205	17,992	213
Other Objects	15,000	(11,810)	3,190	3,190	-
Total Student Transportation Services	3,940,850	1,062,858	5,003,708	4,975,673	28,035
Unallocated Benefits					
Social Security Contributions	815,000	422,093	1,237,093	1,237,093	-
Other Retirement Contributions - PERS	925,000	(7,024)	917,976	917,976	-
Other Retirement Contributions - Regular	55,000	32,810	87,810	87,810	-
Unemployment Compensation	76,500	(76,500)	-	-	-
Workmen's Compensation	725,000	(95,519)	629,481	629,481	-
Health Benefits	9,750,000	166,049	9,916,049	9,915,429	620
Tuition Reimbursement	125,000	(21,850)	103,150	103,149	1
Other Employee Benefits	375,000	(73,782)	301,218	298,542	2,676
Unused Sick Payment to Terminated/Retired Staff	150,000	(21,413)	128,587	128,587	-
Total Unallocated Benefits	12,996,500	324,864	13,321,364	13,318,067	3,297

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
On Behalf TPAF Contributions (Non Budgeted)					
Pension Benefit Contribution				\$ 12,781,317	\$ (12,781,317)
Pension -NCGI Premium				177,326	(177,326)
Post Retirement Medical Benefit Contribution				3,404,204	(3,404,204)
Long Term Disability Insurance				4,776	(4,776)
Reimbursed Social Security Contribution	-	-	-	3,005,930	(3,005,930)
Total On-Behalf Contributions	-	-	-	19,373,553	(19,373,553)
Total Undistributed Expenditures	\$ 49,582,253	\$ 1,582,597	\$ 51,164,850	69,113,997	(17,949,147)
Interest Earned on Maintenance Reserve	2,500	-	2,500	-	2,500
Total Expenditures - Current Expenditures	86,558,512	2,638,935	89,197,447	107,033,220	(17,835,773)
CAPITAL OUTLAY					
Equipment					
Instruction		13,036	13,036	6,323	6,713
Child Study Teams		820,080	820,080	30,659	789,421
Administrative Information Technology	350,000	(335,404)	14,596	14,596	-
School-Sponsored and Other Instructional Programs		281,378	281,378	281,378	-
Required Maintenance for School Facilities	250,000	(248,216)	1,784	-	1,784
Care and Upkeep of Grounds	250,000	(250,000)	-	-	-
School Buses - Special	200,000	(200,000)	-	-	-
Non-Instructional Equipment	-	626,159	626,159	613,172	12,987
Total Equipment	1,050,000	707,033	1,757,033	946,128	810,905
Facilities Acquisition and Construction Services					
Construction Services		-	-	33,080	(33,080)
Land and Improvements		1,222,635	1,222,635	697,635	525,000
Lease Purchase Agreements - Principal	700,000	(61,000)	639,000	639,000	-
Assessment for Debt Service on SDA Funding	22,935	-	22,935	22,935	-
Total Facilities Acquisition and Construction Services	722,935	1,161,635	1,884,570	1,392,650	491,920
Interest Deposit to Capital Reserve	5,000	-	5,000	-	5,000
Assets Acquired under IT Subscription Arrangements (Non-Budget)					
Instruction				2,322,343	(2,322,343)
Admin. Info Technology	-	-	-	146,727	(146,727)
Total Assets Acquired under IT Subscription Arrangements	-	-	-	2,469,070	(2,469,070)
Assets Acquired under Capital Financing Agreements and Leases (Non-Budget)					
School Buses				455,864	(455,864)
Building Improvements	-	-	-	2,134,492	(2,134,492)
Leased Buildings	-	-	-	690,657	(690,657)
Total Assets Acquired under capital financing Agreements and Leases	-	-	-	3,281,013	(3,281,013)
Total Capital Outlay	1,777,935	1,868,668	3,646,603	8,088,861	(4,442,258)
SUMMER SCHOOL - INSTRUCTION					
Salaries of Teachers	50,000	-	50,000	31,756	18,244
Total Summer School - Instruction	50,000	-	50,000	31,756	18,244
Transfer of Funds to Charter Schools	1,024,452	173,876	1,198,328	1,198,328	-
Total Expenditures	89,410,899	4,681,479	94,092,378	116,352,165	(22,259,787)
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,375	(4,681,479)	(4,617,104)	(6,285,475)	(1,668,371)

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Other Financing Sources/(Uses)					
Capital Finance Agreement Proceeds				\$ 2,590,356	\$ (2,590,356)
Leases				690,657	(690,657)
IT Subscription Arrangements				2,469,070	(2,469,070)
Insurance Recoveries				277,906	(277,906)
Transfer In - Capital Projects Fund				282,765	(282,765)
Transfers Out - Capital Projects Fund	-	\$ (600,000)	(600,000)	(600,000)	-
Transfers Out - Special Revenue Fund	\$ (787,310)	-	(787,310)	(817,445)	30,135
Total Other Financing Sources/(Uses)	<u>(787,310)</u>	<u>(600,000)</u>	<u>(1,387,310)</u>	<u>4,893,309</u>	<u>(6,280,619)</u>
Net Change in Fund Balance	<u>(722,935)</u>	<u>(5,281,479)</u>	<u>(6,004,414)</u>	<u>(1,392,166)</u>	<u>4,612,248</u>
Fund Balances, Beginning of Year	<u>11,361,338</u>	<u>-</u>	<u>11,361,338</u>	<u>11,361,338</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 10,638,403</u>	<u>\$ (5,281,479)</u>	<u>\$ 5,356,924</u>	<u>\$ 9,969,172</u>	<u>\$ 4,612,248</u>
Recapitulation					
Restricted					
Capital Reserve				\$ 4,077,898	
Maintenance Reserve				1,666,091	
Unemployment Compensation Reserve				213,755	
Committed					
Year End Encumbrances				1,311,572	
Assigned					
Year End Encumbrances				782,505	
Designated for Subsequent Year Expenditures				93,556	
Insurance Recovery Expenditures				165,361	
Unassigned				<u>1,658,434</u>	
Fund Balance Per State Budgetary Basis of Accounting				9,969,172	
Reconciliation to Governmental Funds Statements (GAAP)					
Less State Aid Revenue Not Recognized on GAAP Basis				<u>(5,029,120)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,940,052</u>	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 7,074,871	\$ 1,526,836	\$ 8,601,707	\$ 7,321,145	\$ (1,280,562)
Federal	2,942,671	9,920,432	12,863,103	8,893,411	(3,969,692)
Other Sources	100,000	40,301	140,301	306,080	165,779
Total Revenues	<u>10,117,542</u>	<u>11,487,569</u>	<u>21,605,111</u>	<u>16,520,636</u>	<u>(5,084,475)</u>
EXPENDITURES					
Salaries of Teachers	2,454,750	571,418	3,026,168	2,814,797	211,371
Other Salaries for Instruction	731,000	(220,395)	510,605	510,605	-
Purchased Professional / Educational Services	120,416	198,626	319,042	319,042	-
Purchased Professional / Technical Services	134,637	(11,551)	123,086	64,619	58,467
Other Purchased Services	1,187,886	120,881	1,308,767	1,302,388	6,379
General Supplies	1,805,093	(257,480)	1,547,613	1,170,427	377,186
Textbooks	7,982	(128)	7,854	7,595	259
Co-Curricular / Extra-Curricular Activities	144,090	54,655	198,745	198,745	-
Total Instruction	<u>6,585,854</u>	<u>456,026</u>	<u>7,041,880</u>	<u>6,388,218</u>	<u>653,662</u>
Support Services					
Salaries of Supervisors of Instruction	120,316	(120,316)	-	-	-
Salaries of Program Directors	293,580	120,090	413,670	413,670	-
Salaries of Other Professional Staff	143,280	261,552	404,832	136,914	267,918
Salaries of Secretarial and Clerical Assistants	79,953	40,765	120,718	120,718	-
Other Salaries	253,600	235,973	489,573	404,563	85,010
Salaries of Master Teachers	187,041	60,826	247,867	247,867	-
Personnel Services - Employee Benefits	669,002	135,390	804,392	795,196	9,196
Purchased Ed. Services - Contracted Pre-K	855,120	-	855,120	855,120	-
Other Purchased Professional -Ed Services Head Start	132,765	-	132,765	132,765	-
Other Purchased Professional Educational Services	25,000	(23,450)	1,550	-	1,550
Other Purchased Professional & Technical Services	14,896	666,429	681,325	182,839	498,486
Other Purchased Services	-	92,890	92,890	54,025	38,865
Rentals	1,785,576	103,540	1,889,116	1,889,116	-
Supplies and Materials	23,275	1,489,422	1,512,697	609,691	903,006
Other Objects	-	119,200	119,200	149,335	(30,135)
Total Support Services	<u>4,463,088</u>	<u>3,302,627</u>	<u>7,765,715</u>	<u>5,995,494</u>	<u>1,770,221</u>
Capital Outlay					
Instructional Equipment	-	201,586	201,586	132,240	69,346
Non - Instructional Equipment	-	1,040,762	1,040,762	101,825	938,937
Construction Services	-	6,482,075	6,482,075	4,681,857	1,800,218
Total Capital Outlay	<u>-</u>	<u>7,724,423</u>	<u>7,724,423</u>	<u>4,915,922</u>	<u>2,808,501</u>
Total Expenditures	<u>11,048,942</u>	<u>11,483,076</u>	<u>22,532,018</u>	<u>17,299,634</u>	<u>5,232,384</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ (931,400)	\$ 4,493	\$ (926,907)	\$ (778,998)	\$ 147,909
Other Financing Sources					
Transfers In- General Fund	<u>787,310</u>	<u>-</u>	<u>787,310</u>	<u>817,445</u>	<u>30,135</u>
Net Changes in Fund Balances	(144,090)	4,493	(139,597)	38,447	178,044
Fund Balance, Beginning of Year	<u>139,597</u>	<u>-</u>	<u>139,597</u>	<u>139,597</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (4,493)</u>	<u>\$ 4,493</u>	<u>\$ -</u>	<u>\$ 178,044</u>	<u>178,044</u>
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Not Recognized on GAAP Basis				<u>(693,377)</u>	
Fund Balance (Deficit per Governmental Funds (GAAP))				<u>\$ (515,333)</u>	
Recapitulation of Fund Balances					
Restricted Fund Balance					
Student Activities				\$ 178,044	
Unassigned				<u>(693,377)</u>	
				<u>\$ (515,333)</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, 2023**

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	\$ 110,066,690	\$ 16,520,636
Difference - Budget to GAAP:		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2022-2023)	(5,029,120)	(693,377)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2021-2022)	4,203,329	486,395
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		(3,571,070)
Encumbrances , June 30, 2022 net of cancellations	-	798,694
	<hr/>	<hr/>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 109,240,899</u>	<u>\$ 13,541,278</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 116,352,165	\$ 17,299,634
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, 2023		(3,571,070)
Encumbrances , June 30, 2022 net of cancellations	-	798,694
	<hr/>	<hr/>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 116,352,165</u>	<u>\$ 14,527,258</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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<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)	0.07182%	0.07219%	0.07078%	0.06806%	0.07187%	0.07397%	.07154%	.08363%	.08023%	.07642%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,837,900	\$ 8,551,535	\$ 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	\$ 6,085,537	\$ 5,331,466	\$ 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	178.09%	160.40%	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	62.91%	70.33%	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.

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<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	\$ 905,624	\$ 845,384	\$ 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>905,624</u>	<u>845,384</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 7,005,194	\$ 6,085,537	\$ 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	12.93%	13.89%	14.52%	12.65%	14.60%	14.38%	13.08%	14.30%	14.13%	10.44%

**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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<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%	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>158,112,429</u>	<u>143,562,309</u>	<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>\$ 158,112,429</u>	<u>\$ 143,562,309</u>	<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	37,679,686	35,771,926	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%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	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.

**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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 7,596,819	\$ 8,677,373	\$ 4,567,778	\$ 4,266,489	\$ 4,792,430	\$ 5,707,408
Interest on Total OPEB Liability	3,779,457	4,353,236	4,039,747	4,960,852	5,401,596	4,696,710
Changes in Benefit Terms	-	(178,616)				
Differences Between Expected and Actual Experience	5,307,536	(28,363,284)	34,539,845	(20,720,186)	(14,658,853)	
Changes of Assumptions	(38,257,780)	165,560	34,062,794	1,676,103	(14,410,849)	(19,512,888)
Gross Benefit Payments	(3,743,664)	(3,429,131)	(3,246,397)	(3,450,776)	(3,357,945)	(3,138,421)
Contribution from the Member	<u>120,099</u>	<u>111,291</u>	<u>98,398</u>	<u>102,291</u>	<u>116,056</u>	<u>115,565</u>
Net Change in Total OPEB Liability	(25,197,533)	(18,663,571)	74,062,165	(13,165,227)	(22,117,565)	(12,131,626)
Total OPEB Liability - Beginning	<u>167,812,631</u>	<u>186,476,202</u>	<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>\$ 142,615,098</u>	<u>\$ 167,812,631</u>	<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>142,615,098</u>	<u>167,812,631</u>	<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>\$ 142,615,098</u>	<u>\$ 167,812,631</u>	<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>\$ 43,765,223</u>	<u>\$ 41,103,392</u>	<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%	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, 2023**

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, 2023**

	<u>Title I</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>Perkins</u>	<u>ARP Homeless Children & Youths</u>	<u>(Exhibit E-1a)</u>	<u>(Exhibit E-1b)</u>	<u>(Exhibit E-1c)</u>	<u>Total 2023</u>
REVENUES											
Intergovernmental											
State											
Federal	\$ 1,488,917	\$ 194,546	\$ 66,008	\$ 776	\$ 103,809	\$ 45,776	\$ 8,827	\$ -	\$ 7,235,250	\$ 85,895	\$ 7,321,145
Other Sources	-	-	-	-	-	-	-	6,984,752	-	-	8,893,411
										306,080	306,080
Total Revenues	\$ 1,488,917	\$ 194,546	\$ 66,008	\$ 776	\$ 103,809	\$ 45,776	\$ 8,827	\$ 6,984,752	\$ 7,235,250	\$ 391,975	16,520,636
EXPENDITURES											
Salaries of Teachers	\$ 514,760		\$ 9,179					367,137	1,922,416	1,305	2,814,797
Other Salaries for Instruction								-	510,605	-	510,605
Purchased Professional / Educational Services								-	319,042	-	319,042
Purchased Professional / Technical Services	3,337							-	54,622	6,660	64,619
Other Purchased Services	5,135		32,000			\$ 2,000		1,252,694	2,299	8,260	1,302,388
General Supplies	637,825		21,162		\$ 94,941	29,902	\$ 6,398	4,053	334,426	41,720	1,170,427
Textbooks								-	7,595	-	7,595
Co-Curricular / Extra-Curricular Activities								-	-	198,745	198,745
Total Instruction	1,161,057	-	62,341	-	94,941	31,902	6,398	1,623,884	3,151,005	256,690	6,388,218
Support Services											
Salaries of Program Directors									413,670	-	413,670
Salaries of Other Professional Staff									136,914	-	136,914
Salaries of Secretarial and Clerical Assistants									120,718	-	120,718
Other Salaries	-	\$ 32,571					2,079	2,944	366,969	-	404,563
Salaries of Master Teachers									247,867	-	247,867
Personnel Services - Employee Benefits	182,609	2,492	835	-	-			139,725	469,535	-	795,196
Purchased Ed. Services - Contracted Pre-K									855,120	-	855,120
Other Purchased Professional -Ed Services Head Start									132,765	-	132,765
Other Purchased Professional Services									-	-	-
Other Purchased Professional & Technical Services	-	69,809	1,840		\$ 4,600			95,462	11,128	-	182,839
Other Purchased Services	-	53,033	992	-	-			-	-	-	54,025
Purchased Property Services									-	-	-
Rentals	32,800								1,856,316	-	1,889,116
Miscellaneous Purchased Services									3,675	-	3,675
Supplies and Materials	47,451	36641	-	\$ 776	4,268		350	435,893	84,312	-	609,691
Other Objects	65,000	-	-	-	-		-	-	84,335	-	149,335
Total Support Services	327,860	194,546	3,667	776	8,868	-	2,429	674,024	4,783,324	-	5,995,494
Capital Outlay											
Instructional Equipment						13,874			118,366	-	132,240
Non - Instructional Equipment	-	-	-	-	-	-	-	4,987	-	96,838	101,825
Construction Services	-	-	-	-	-	-	-	4,681,857	-	-	4,681,857
Total Capital Outlay	-	-	-	-	-	13,874	-	4,686,844	118,366	96,838	4,915,922
Total Expenditures	\$ 1,488,917	\$ 194,546	\$ 66,008	\$ 776	\$ 103,809	\$ 45,776	\$ 8,827	\$ 6,984,752	\$ 8,052,695	\$ 353,528	\$ 17,299,634
Excess (Deficiency) of Revenues and Other											
Financing Sources Over/(Under) Expenditures)	-	-	-	-	-	-	-	-	(817,445)	38,447	(778,998)
Other Financing Sources											
Transfers In- General Fund	-	-	-	-	-	-	-	-	817,445	-	817,445
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	38,447	38,447
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	139,597	139,597
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,044	178,044

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ARP ESSER III	ARP Accelerated Learning Coach & Educator Support	ARP Evidence Based Summer Learning	ARP NJTSS Mental Health Support Staffing	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health	CARES Emergency Relief Grant	IDEA Basic	IDEA Preschool	Total Exhibit E-1a
REVENUES											
Intergovernmental											
State											
Federal	\$ 5,074,936	\$ 450,225	\$ 40,000	\$ 180	\$ 114,015	\$ 18,162	\$ 27,944	\$ 8	\$ 1,226,389	\$ 32,893	\$ 6,984,752
Other Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 5,074,936	\$ 450,225	\$ 40,000	\$ 180	\$ 114,015	\$ 18,162	\$ 27,944	\$ 8	\$ 1,226,389	\$ 32,893	\$ 6,984,752
EXPENDITURES											
Salaries of Teachers		\$ 310,500	\$ 40,000			\$ 16,637					\$ 367,137
Other Salaries for Instruction											-
Purchased Professional / Educational Services											-
Purchased Professional / Technical Services											-
Other Purchased Services								\$ 1,219,801	\$ 32,893		1,252,694
General Supplies	\$ 2,420				\$ 100	1,525		\$ 8			4,053
Textbooks											-
Co-Curricular / Extra-Curricular Activities											-
Total Instruction	2,420	310,500	40,000	-	100	18,162	-	8	1,219,801	32,893	1,623,884
Support Services											
Salaries of Program Directors											-
Salaries of Other Professional Staff											-
Salaries of Secretarial and Clerical Assistants											-
Other Salaries							\$ 2,944				2,944
Salaries of Master Teachers											-
Personnel Services - Employee Benefits		139,725									139,725
Purchased Ed. Services - Contracted Pre-K											-
Other Purchased Professional -Ed Services Head Start											-
Other Purchased Professional Services											-
Other Purchased Professional & Technical Services	42,989				20,885		25,000		6,588		95,462
Other Purchased Services											-
Purchased Property Services											-
Rentals											-
Supplies and Materials	347,670			\$ 180	88,043						435,893
Program Administration											-
Total Support Services	390,659	139,725	-	180	108,928	-	27,944	-	6,588	-	674,024
Capital Outlay											
Instructional Equipment											-
Non - Instructional Equipment					4,987						4,987
Construction Services	4,681,857										4,681,857
Total Capital Outlay	4,681,857	-	-	-	4,987	-	-	-	-	-	4,686,844
Total Expenditures	\$ 5,074,936	\$ 450,225	\$ 40,000	\$ 180	\$ 114,015	\$ 18,162	\$ 27,944	\$ 8	\$ 1,226,389	\$ 32,893	\$ 6,984,752
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	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Preschool Education Aid Act	Nonpublic Compensatory Education	Nonpublic Examination & Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	SDA Emergent & Capital Maint. Needs	Total Exhibit E-1b
REVENUES											
Intergovernmental											
State	\$ 7,017,988	\$ 42,299	\$ 882	\$ 6,789	\$ 5,534	\$ 11,128	\$ 7,595	\$ 407	\$ 24,262	\$ 118,366	\$ 7,235,250
Federal	-	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 7,017,988</u>	<u>\$ 42,299</u>	<u>\$ 882</u>	<u>\$ 6,789</u>	<u>\$ 5,534</u>	<u>\$ 11,128</u>	<u>\$ 7,595</u>	<u>\$ 407</u>	<u>\$ 24,262</u>	<u>\$ 118,366</u>	<u>\$ 7,235,250</u>
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 1,922,416										1,922,416
Other Salaries for Instruction	510,605										510,605
Purchased Professional / Educational Services	319,042										319,042
Purchased Professional / Technical Services		\$ 42,299		\$ 6,789	\$ 5,534						54,622
Other Purchased Services	2,299										2,299
General Supplies	334,019							\$ 407			334,426
Textbooks							\$ 7,595				7,595
Co-Curricular / Extra-Curricular Activities	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	<u>3,088,381</u>	<u>42,299</u>	<u>-</u>	<u>6,789</u>	<u>5,534</u>	<u>-</u>	<u>7,595</u>	<u>407</u>	<u>-</u>	<u>-</u>	<u>3,151,005</u>
Support Services											
Salaries of Program Directors	413,670										413,670
Salaries of Other Professional Staff	136,032		\$ 882								136,914
Salaries of Secretarial and Clerical Assistants	120,718										120,718
Other Salaries	366,969										366,969
Salaries of Master Teachers	247,867										247,867
Personnel Services - Employee Benefits	469,535										469,535
Purchased Ed. Services - Contracted Pre-K	855,120										855,120
Other Purchased Professional -Ed Services Head Start	132,765										132,765
Other Purchased Professional Services	-										-
Other Purchased Professional & Technical Services	-					\$ 11,128					11,128
Other Purchased Services	-										-
Purchased Property Services	-										-
Rentals	1,856,316										1,856,316
Miscellaneous Purchased Services	3,675										3,675
Supplies and Materials	60,050								\$ 24,262		84,312
Other Objects	84,335										84,335
Total Support Services	<u>4,747,052</u>	<u>-</u>	<u>882</u>	<u>-</u>	<u>-</u>	<u>11,128</u>	<u>-</u>	<u>-</u>	<u>24,262</u>	<u>-</u>	<u>4,783,324</u>
Capital Outlay											
Instructional Equipment	-									\$ 118,366	118,366
Non - Instructional Equipment	-										-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,366</u>	<u>118,366</u>
Total Expenditures	<u>\$ 7,835,433</u>	<u>\$ 42,299</u>	<u>\$ 882</u>	<u>\$ 6,789</u>	<u>\$ 5,534</u>	<u>\$ 11,128</u>	<u>\$ 7,595</u>	<u>\$ 407</u>	<u>\$ 24,262</u>	<u>\$ 118,366</u>	<u>\$ 8,052,695</u>
Excess (Deficiency) of Revenues and Other											
Financing Sources Over/(Under) Expenditures)	(817,445)	-	-	-	-	-	-	-	-	-	(817,445)
Other Financing Sources											
Transfers In- General Fund	817,445										817,445
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Climate Awareness</u>	<u>Alyssa's Law</u>	<u>Municipal Alliance</u>	<u>NJ SIG</u>	<u>Rutgers SNAP Grant</u>	<u>Lowes Robotics STEM Program</u>	<u>PSEG Sustainable NJ Program</u>	<u>Local Donations</u>	<u>Student Activities</u>	<u>Total Exhibit E-1c</u>
REVENUES										
Intergovernmental										
State	\$ 6,660	\$ 79,235								\$ 85,895
Federal										-
Other Sources	-	-	11,389	17,603	29,865	1,247	4,633	4,151	237,192	306,080
Total Revenues	<u>\$ 6,660</u>	<u>\$ 79,235</u>	<u>\$ 11,389</u>	<u>\$ 17,603</u>	<u>\$ 29,865</u>	<u>\$ 1,247</u>	<u>\$ 4,633</u>	<u>\$ 4,151</u>	<u>\$ 237,192</u>	<u>\$ 391,975</u>
EXPENDITURES										
Instruction										
Salaries			\$ 1,305							1,305
Other Salaries for Instruction										-
Purchased Professional / Educational Services										-
Purchased Professional / Technical Services	\$ 6,660									6,660
Other Purchased Services			8,260							8,260
General Supplies			1,824		\$ 29,865	\$ 1,247	\$ 4,633	\$ 4,151		41,720
Textbooks										-
Co-Curricular / Extra-Curricular Activities	-	-	-	-	-	-	-	-	198,745	198,745
Total Instruction	<u>6,660</u>	<u>-</u>	<u>11,389</u>	<u>-</u>	<u>29,865</u>	<u>1,247</u>	<u>4,633</u>	<u>4,151</u>	<u>198,745</u>	<u>256,690</u>
Support Services										
Salaries of Program Directors										-
Salaries of Other Professional Staff										-
Salaries of Secretarial and Clerical Assistants										-
Other Salaries										-
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										-
Other Purchased Services										-
Purchased Property Services										-
Rentals										-
Supplies and Materials										-
Program Administration	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay										
Instructional Equipment										-
Non - Instructional Equipment	-	79,235	-	17,603	-	-	-	-	-	96,838
Total Capital Outlay	<u>-</u>	<u>79,235</u>	<u>-</u>	<u>17,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,838</u>
Total Expenditures	<u>\$ 6,660</u>	<u>\$ 79,235</u>	<u>\$ 11,389</u>	<u>\$ 17,603</u>	<u>\$ 29,865</u>	<u>\$ 1,247</u>	<u>\$ 4,633</u>	<u>\$ 4,151</u>	<u>\$ 198,745</u>	<u>\$ 353,528</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures										
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	38,447	38,447
Other Financing Sources										
Transfers In- General Fund	-	-	-	-	-	-	-	-	-	-
Net Changes in Fund Balances	-	-	-	-	-	-	-	-	38,447	38,447
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	139,597	139,597
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,044</u>	<u>\$ 178,044</u>

**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, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 1,967,417	\$ (45,001)	\$ 1,922,416	\$ 1,922,416	\$ -
Other Salaries for Instruction	731,000	(220,395)	510,605	510,605	-
Purchased Professional - Educational Services		319,042	319,042	319,042	-
Other Purchased Services		2,299	2,299	2,299	-
General Supplies	495,137	(57,129)	438,008	334,019	103,989
Total Instruction	<u>3,193,554</u>	<u>(1,184)</u>	<u>3,192,370</u>	<u>3,088,381</u>	<u>103,989</u>
Support Services					
Salaries of Supervisors of Instruction	120,316	(120,316)	-	-	-
Salaries of Program Directors	293,580	120,090	413,670	413,670	-
Salaries of Other Professional Staff	143,280	(7,248)	136,032	136,032	-
Salaries of Secretarial and Clerical Assistants	79,953	40,765	120,718	120,718	-
Other Salaries	253,600	113,369	366,969	366,969	-
Salaries of Master Teachers	187,041	60,826	247,867	247,867	-
Personnel Services - Employee Benefits	669,002	(199,467)	469,535	469,535	-
Purchased Ed. Services - Contracted Pre-K	855,120	-	855,120	855,120	-
Purchased Ed. Services - Head Start	115,063	17,702	132,765	132,765	-
Other Purchased Professional -Ed Services	15,000	(15,000)	-	-	-
Other Purchased Professional Services	10,000	(8,450)	1,550	-	1,550
Rentals	1,785,576	70,740	1,856,316	1,856,316	-
Miscellaneous Purchased Services		3,675	3,675	3,675	-
Supplies and Materials	-	105,795	105,795	60,050	45,745
Other Objects	-	54,200	54,200	84,335	(30,135)
Total Support Services	<u>4,527,531</u>	<u>236,681</u>	<u>4,764,212</u>	<u>4,747,052</u>	<u>17,160</u>
Capital Outlay					
Noninstructional Equipment	-	90,557	90,557	-	90,557
Total Facilities Acquisition and Construction Ser	<u>-</u>	<u>90,557</u>	<u>90,557</u>	<u>-</u>	<u>90,557</u>
Total Expenditures	<u>\$ 7,721,085</u>	<u>\$ 326,054</u>	<u>\$ 8,047,139</u>	<u>\$ 7,835,433</u>	<u>\$ 211,706</u>

Calculation of Budget Carryover

Total revised 2022-2023 Preschool Education Aid Allocation	\$6,933,775
Budgeted Transfer From General Fund	817,445
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	84,213
Total Preschool Ed. Aid Funds Available for 2022-2023 Budget	7,835,433
Less: 2022-2023 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	8,047,139
Available & Unbudgeted Preschool Education Aid Funds as of 'June 30, 2023	(211,706)
Add: June 30, 2023 Unexpended Preschool Education Aid	211,706
2022-2023 C/O - Preschool Education Aid Programs	\$ -
2022-23 Preschool Education Aid C/O Budgeted in 2022/2023	<u>\$ 84,213</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, 2023**

<u>Issue/ Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Transfer to General Fund</u>	<u>Unexpended Project Balance June 30, 2023</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	48,496,655	\$ 35,011	-	\$ 4,935
Turf Field at Clearman School, Fire Doors and Acquisition of Acoustic Equipment at Belleville High School Auditorium	3,501,081	3,479,383	21,698	-	-
Shared Service Agreement with the Township for a Joint Municipal and School Project (Acquisition of Property - Eastern International College)	12,500,000	-	5,171,883	-	7,328,117
	<u>\$ 67,763,039</u>	<u>\$ 55,193,477</u>	<u>\$ 5,228,592</u>	<u>\$ 7,918</u>	<u>\$ 7,333,052</u>
<u>Reconciliation to GAAP Basis</u>					
					\$ 7,333,052
					Less: Bonds Authorized But Not Issued (601)
					<u>\$ 7,332,451</u>
<u>Reconciliation to Fund Balance</u>					
					\$ 191,285
					7,141,166
					<u>\$ 7,332,451</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, 2023**

Revenues and Other Financing Sources

Revenues		
Interest and Dividends on Investments	\$	25,028
Other Financing Sources		
Capital Financing Agreement Proceeds		11,900,000
Transfer from Capital Reserve		<u>600,000</u>
Total Revenues and Other Financing Sources		<u>12,525,028</u>

Expenditures and Other Financing Uses

Expenditures		
Purchased Professional/Technical Services		147,715
Construction Services		35,011
Equipment		21,698
Buildings		4,774,168
Other Financing Uses		
Transfers Out - General Fund		<u>282,765</u>
Total Expenditures and Other Financing Uses		<u>5,261,357</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses		7,263,671
Fund Balance- Beginning		<u>68,780</u>
Fund Balance- Ending	\$	<u><u>7,332,451</u></u>

Reconciliation to GAAP

Fund Balance, End of Year - Budgetary Basis	\$	<u>7,332,451</u>
Fund Balance, June 30, 2023- GAAP	\$	<u><u>7,332,451</u></u>

**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, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement Proceeds	\$ 1,025,000		\$ 1,025,000	\$ 1,025,000
Interest Earnings	<u>1,316</u>	<u>-</u>	<u>1,316</u>	<u>1,316</u>
Total Revenues and Other Financing Sources	<u>1,026,316</u>	<u>-</u>	<u>1,026,316</u>	<u>1,026,316</u>
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
Transfer to General Fund	<u>-</u>	<u>2,652</u>	<u>2,652</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>1,023,664</u>	<u>2,652</u>	<u>1,026,316</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>\$ (2,652)</u>	<u>\$ -</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, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement 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	43,827	-	43,827	43,827
Transfer to General Fund	<u>-</u>	<u>5,266</u>	<u>5,266</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>2,193,775</u>	<u>5,266</u>	<u>2,199,041</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>\$ (5,266)</u>	<u>\$ -</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, UPGRADES, AND IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	8,000
Legal Services	83,592		83,592	83,592
Architectural/Engineering Services	2,151,172	\$ -	2,151,172	2,160,000
Other Purchased Professional and Technical Services	1,748,359	-	1,748,359	1,760,000
Supplies and Materials	102,048	-	102,048	105,000
Construction Services	44,373,153	35,011	44,408,164	44,390,009
Other Objects	30,532	-	30,532	30,000
Total Expenditures and Other Financing Uses	<u>48,496,655</u>	<u>35,011</u>	<u>48,531,666</u>	<u>48,536,601</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 39,345</u>	<u>\$ (35,011)</u>	<u>\$ 4,334</u>	<u>\$ -</u>

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	-
Percentage Completion	100.00%
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, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement Proceeds	\$ 3,226,000	\$ -	\$ 3,226,000	\$ 3,226,000
Lease Premium	274,000	-	274,000	274,000
Interest Earnings	900	181	1,081	1,081
	<u>3,500,900</u>	<u>181</u>	<u>3,501,081</u>	<u>3,501,081</u>
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services	296,519	-	296,519	300,000
Construction Services	3,068,546	-	3,068,546	3,086,081
Equipment	114,318	21,698	136,016	115,000
	<u>3,479,383</u>	<u>21,698</u>	<u>3,501,081</u>	<u>3,501,081</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses				
	<u>\$ 21,517</u>	<u>\$ (21,517)</u>	<u>\$ -</u>	<u>\$ -</u>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
SHARED SERVICE AGREEMENT WITH THE TOWNSHIP FOR A JOINT MUNICIPAL AND SCHOOL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement Proceeds	\$ -	\$ 11,900,000	\$ 11,900,000	\$ 11,900,000
Transfer from Capital Reserve	-	600,000	600,000	600,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	-	12,500,000	12,500,000	12,500,000
Expenditures and Other Financing Uses				
Expenditures				
Architectural/Engineering Services	-	147,715	147,715	339,000
Construction Services	-	-	-	6,886,832
Buildings	-	4,774,168	4,774,168	5,024,168
Transfer to General Fund - Return of Property Acquisition Deposit	-	250,000	250,000	250,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	-	5,171,883	5,171,883	12,500,000
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 7,328,117	\$ 7,328,117	\$ -

PROPRIETARY FUNDS

EXHIBIT G-1

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

NOT APPLICABLE

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance, June 30, 2023</u>			
			<u>Date</u>	<u>Amount</u>								
2018 School Bonds	3/22/2018	\$ 48,536,000	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%							
									\$ 43,235,000	\$ -	1,450,000	\$ 41,785,000
									<u>\$ 43,235,000</u>	<u>\$ -</u>	<u>\$ 1,450,000</u>	<u>\$ 41,785,000</u>

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCE AGREEMENT AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
CAPITAL FINANCING AGREEMENTS						
Turf Field at Clearman School, Fire Doors and Acquisition of Acoustic Equipment at Belleville High School Auditorium	3,226,000	5.00%	\$ 2,013,000		\$ 639,000	\$ 1,374,000
Security Camera System	698,034	2.78%	465,282		229,434	235,848
IT Infrastructure to New BOE Building	1,402,792	2.54%	1,154,091		219,386	934,705
Security Cameras	718,136	3.11%	718,136		143,830	574,306
2021 16 Passenger Bus	57,032	2.10%	19,041		19,041	-
2020 Various Buses	121,821	2.10%	73,201		23,896	49,305
2 54 Passenger Buses	226,342	2.10%	136,007	-	44,398	91,609
2 54 Passenger Buses	242,636	4.25%	-	242,636	51,726	190,910
Technology Upgrades and Equipment	1,177,367	4.20%	-	1,177,367	306,827	870,540
Technology Upgrade	957,127	6.71%	-	957,125	-	957,125
2 2025 24 Passenger Buses	213,228	5.62%	-	213,228	-	213,228
Acquisition of Property - Eastern Int'l College (Shared Service Agreement)	11,900,000	5.00%	-	11,900,000	-	11,900,000
			<u>\$ 4,578,758</u>	<u>\$ 14,490,356</u>	<u>\$ 1,677,538</u>	<u>\$ 17,391,576</u>
				Paid by Budget Appropriation	<u>\$ 1,677,538</u>	

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCE AGREEMENT AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
LEASES PAYABLE						
34 Ralph (5 Pre-K Classrooms)	1,391,309	3.00%	\$ 744,835		\$ 281,505	\$ 463,330
BOE Administrative Office & Maintenance Garage (54 Ralph)	1,208,432	2.50%	920,025		247,422	672,603
54 Ralph (Pre-K Classrooms)	2,515,391	2.50%	2,010,710		525,653	1,485,057
Office Suite (387 Union Avenue)	140,866	2.50%	100,437		27,806	72,631
Parking Lease - St Peter	35,436	2.00%	3,990		3,990	-
Cannon Copiers	754,187	2.50%	588,543		151,596	436,947
Office Suite - Lower Level (335 Union Avenue)	166,222	2.50%	134,617		32,404	102,213
Cannon Copier	63,246	2.50%	54,490		13,410	41,080
Pre-K Lease Amendment	3,567,060	3.00%	3,252,606		652,275	2,600,331
Cannon Copier	26,605	2.50%	23,247		5,144	18,103
Athletic Indoor Training Facility	2,329,984	3.50%	2,232,120		430,012	1,802,108
Cannon Copier	9,742	3.00%	8,556		4,834	3,722
522 Cortlandt (Office Space)	690,657	5.08%	-	690,657	20,919	669,738
Total Leases Payable			<u>\$ 10,074,176</u>	<u>\$ 690,657</u>	<u>\$ 2,396,970</u>	<u>\$ 8,367,863</u>
				Paid by Budget Appropriation	<u>\$ 2,396,970</u>	

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 1,793,375	-	\$ 1,793,375	\$ 1,793,375	-
State Sources					
Debt Service Aid	<u>1,179,275</u>	<u>-</u>	<u>1,179,275</u>	<u>1,179,275</u>	<u>-</u>
Total Revenues	<u>2,972,650</u>	<u>-</u>	<u>2,972,650</u>	<u>2,972,650</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	1,450,000		1,450,000	1,450,000	
Interest	<u>1,522,650</u>	<u>-</u>	<u>1,522,650</u>	<u>1,522,650</u>	<u>-</u>
Total Expenditures	<u>2,972,650</u>	<u>-</u>	<u>2,972,650</u>	<u>2,972,650</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>

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022 (Restated)</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
PowerSchool - Student Information Software	625,563	2.80%	\$ 609,321		\$ 245,214	\$ 364,107
CDW - Instructional Learning Software	55,363	4.79%	-	55,363	-	55,363
Lightpath - Internet Access Software	91,364	5.08%	-	91,364	-	91,364
McGraw Hill - Instructional Learning Software	302,277	5.08%	-	302,277	9,089	293,188
Renaissance - Instructional Learning Software	324,097	4.79%	-	324,097	-	324,097
Savas - Instructional Learning Software	1,695,969	5.08%	-	1,695,969	-	1,695,969
			<u>\$ 609,321</u>	<u>\$ 2,469,070</u>	<u>\$ 254,303</u>	<u>\$ 2,824,088</u>
				Paid by Budget Appropriation	<u>\$ 254,303</u>	

STATISTICAL SECTION

This part of the Belleville Township School District's annual comprehensive 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 annual comprehensive financial reports for the relevant year.

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

	2014 (1)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net Investment in Capital Assets	\$ 5,513,725	\$ 5,984,419	\$ 6,536,372	\$ 7,066,551	\$ 8,129,551	\$ 8,275,755	\$ 10,217,537	\$ 11,974,099	\$ 12,854,536	\$ 14,270,709
Restricted			676,149	1,694,143	2,629,937	3,873,834	4,930,274	6,429,106	5,358,469	6,135,788
Unrestricted	(24,352,115)	(23,203,444)	(22,069,596)	(22,621,063)	(22,860,737)	(23,103,817)	(24,215,243)	(22,096,324)	(17,148,438)	(18,953,420)
Total governmental activities net position	<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>\$ (3,693,119)</u>	<u>\$ 1,064,567</u>	<u>\$ 1,453,077</u>
Business-type activities										
Net Investment in Capital Assets	\$ 79,214	\$ 203,689	\$ 144,244	\$ 101,892	\$ 60,758	\$ 42,503	\$ 34,198	\$ 33,190	\$ 380,856	\$ 613,176
Restricted										
Unrestricted	170,029	202,415	168,548	116,456	159,570	315,324	586,716	1,880,278	1,782,983	1,391,734
Total business-type activities net position	<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>	<u>\$ 2,163,839</u>	<u>\$ 2,004,910</u>
District-wide										
Net Investment in Capital Assets	\$ 5,592,939	\$ 6,188,108	\$ 6,680,616	\$ 7,168,443	\$ 8,190,309	\$ 8,318,258	\$ 10,251,735	\$ 12,007,289	\$ 13,235,392	\$ 14,883,885
Restricted	-	-	676,149	1,694,143	2,629,937	3,873,834	4,930,274	6,429,106	5,358,469	6,135,788
Unrestricted	(24,182,086)	(23,001,029)	(21,901,048)	(22,504,607)	(22,701,167)	(22,788,493)	(23,628,527)	(20,216,046)	(15,365,455)	(17,561,686)
Total district net position	<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>\$ (1,779,651)</u>	<u>\$ 3,228,406</u>	<u>\$ 3,457,987</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.

Note 3 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB No. 87, "Leases".

Note 4 - Net Position at June 30, 2022 is restated to reflect the implementation of GASB No. 96, "Subscription-Based Information Technology Arrangements".

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 29,359,361	\$ 31,848,519	\$ 33,204,564	\$ 37,115,854	\$ 38,611,186	\$ 37,635,718	\$ 37,537,094	\$ 46,089,278	\$ 43,790,749	\$ 48,502,415
Special Education	14,259,892	14,795,513	14,015,994	15,165,972	16,017,452	15,712,840	14,581,653	13,790,800	13,351,983	13,647,621
Other Education	2,696,274	2,992,762	3,711,081	4,457,171	3,869,094	3,476,881	3,543,388	2,004,370	1,779,315	2,078,822
School Sponsored Activities and Athletics	901,700	939,711	942,304	1,125,987	1,378,097	1,270,129	1,298,940	1,390,185	1,320,951	1,724,106
Support Services:										
Tuition										
Student & Instruction Related Services	8,242,412	9,153,952	9,317,872	10,249,971	10,418,561	10,190,037	10,575,755	14,567,413	14,295,557	14,524,060
General Administrative Services	1,739,238	2,142,876	2,737,192	2,305,809	2,342,139	2,124,309	2,000,525	2,086,359	2,017,007	2,472,606
School Administrative Services	5,404,032	4,435,456	6,331,181	7,664,156	7,356,090	6,638,604	7,012,283	7,968,182	7,551,053	8,199,466
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	3,011,439	3,325,420
Plant Operations and Maintenance	7,725,157	5,635,419	6,350,149	6,853,846	7,766,723	7,565,970	8,221,959	9,050,572	12,164,019	15,808,890
Pupil Transportation	3,364,058	3,527,897	3,048,329	2,946,159	3,052,265	3,761,757	4,057,620	3,028,888	4,461,757	5,511,714
Unallocated Depreciation										
Interest on Long Term Debt	79,305	88,069	108,879	115,860	554,394	1,795,797	1,740,526	1,761,608	1,881,380	2,247,796
Total Governmental Activities Expenses	<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>	<u>105,625,210</u>	<u>118,042,916</u>
Business-Type Activities:										
Food Service	2,128,248	2,114,192	2,115,354	2,174,321	1,907,017	2,467,193	2,145,825	2,295,805	3,585,587	3,824,142
Total Business-Type Activities Expense	<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>	<u>3,585,587</u>	<u>3,824,142</u>
Total District Expenses	<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>	<u>\$ 109,210,797</u>	<u>\$ 121,867,058</u>
Program Revenues										
Governmental Activities:										
Charges for Services	35,448	151,999	230,509	181,435	181,187	141,378	40,644	123,046	326,916	385,565
Operating Grants and Contributions	11,453,747	19,446,982	23,332,011	29,122,236	30,712,757	26,571,885	25,298,745	38,404,754	33,895,238	30,891,358
Capital Grants and Contributions	5,657	8,697	87,646	154,984	107,711	40,348	64,958	247,504	577,598	2,028,602
Total Governmental Activities Program Revenues	<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>	<u>34,799,752</u>	<u>33,305,525</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges for Services										
Food Service	\$ 706,289	\$ 673,996	\$ 666,206	\$ 650,743	\$ 643,355	\$ 735,937	\$ 454,073	\$ -	\$ 148,926	\$ 918,096
Operating Grants and Contributions	1,301,807	1,337,727	1,355,359	1,428,598	1,263,351	1,863,753	1,951,230	3,587,941	3,685,267	2,702,714
Total Business Type Activities Program Revenues	2,008,096	2,011,723	2,021,565	2,079,341	1,906,706	2,599,690	2,405,303	3,587,941	3,834,193	3,620,810
Total District Program Revenues	\$ 13,502,948	\$ 21,619,401	\$ 25,671,731	\$ 31,537,996	\$ 32,908,361	\$ 29,353,301	\$ 27,809,650	\$ 42,363,245	\$ 38,633,945	\$ 36,926,335
Net (Expense)/Revenue										
Governmental Activities	\$ (63,591,538)	\$ (57,604,988)	\$ (57,804,506)	\$ (60,355,626)	\$ (62,153,308)	\$ (65,441,660)	\$ (67,294,024)	\$ (65,853,560)	\$ (70,825,458)	\$ (84,737,391)
Business-Type Activities	(120,152)	(102,469)	(93,789)	(94,980)	(311)	132,497	259,478	1,292,136	248,606	(203,332)
Total District-Wide Net Expense	\$ (63,711,690)	\$ (57,707,457)	\$ (57,898,295)	\$ (60,450,606)	\$ (62,153,619)	\$ (65,309,163)	\$ (67,034,546)	\$ (64,561,424)	\$ (70,576,852)	\$ (84,940,723)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 34,177,243	\$ 36,249,715	\$ 37,665,506	\$ 38,667,832	\$ 39,764,229	\$ 40,082,343	\$ 40,954,080	\$ 42,473,162	\$ 43,322,625	\$ 44,429,078
Debt Service Levy						1,604,063	1,892,376	1,796,059	1,792,063	1,793,375
Unrestricted Grants and Contributions	22,253,116	22,982,748	22,214,027	22,523,414	23,411,569	22,973,588	25,179,331	25,990,341	29,622,161	37,686,996
Restricted Grants and Contributions							1,385,574	543,491	557,375	575,227
Investment Earnings										
Miscellaneous Income	91,045	113,690	286,923	161,086	736,630	1,928,687	813,070	739,783	362,044	641,225
Transfers		(105,000)								
Total Governmental Activities	56,521,404	59,241,153	60,166,456	61,352,332	63,912,428	66,588,681	70,224,431	71,542,836	75,656,268	85,125,901
Business-Type Activities:										
Investment Earnings	174	176	477	536	2,291	5,002	3,609	418	1,765	44,403
Transfers		105,000								
Total Business-Type Activities	174	105,176	477	536	2,291	5,002	3,609	418	1,765	44,403
Total District-Wide	\$ 56,521,578	\$ 59,346,329	\$ 60,166,933	\$ 61,352,868	\$ 63,914,719	\$ 66,593,683	\$ 70,228,040	\$ 71,543,254	\$ 75,658,033	\$ 85,170,304
Change in Net Position										
Governmental Activities	\$ (7,070,134)	\$ 1,636,165	\$ 2,361,950	\$ 996,706	\$ 1,759,120	\$ 1,147,021	\$ 2,930,407	\$ 5,689,276	\$ 4,830,810	\$ 388,510
Business-Type Activities	(119,978)	2,707	(93,312)	(94,444)	1,980	137,499	263,087	1,292,554	250,371	(158,929)
Total District	\$ (7,190,112)	\$ 1,638,872	\$ 2,268,638	\$ 902,262	\$ 1,761,100	\$ 1,284,520	\$ 3,193,494	\$ 6,981,830	\$ 5,081,181	\$ 229,581

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted			\$ 676,149	\$ 1,579,805	\$ 2,614,685	\$ 3,858,582	\$ 4,741,995	\$ 6,282,364	\$ 5,210,954	\$ 5,957,744
Committed						159,300		-	2,499,820	1,311,572
Assigned	\$ 584,066	\$ 551,059	966,275	893,042	1,407,696	1,064,075	1,043,033	1,813,137	2,201,458	1,041,422
Unassigned	<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>	<u>(2,754,223)</u>	<u>(3,370,686)</u>
Total General Fund	<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>	<u>\$ 7,158,009</u>	<u>\$ 4,940,052</u>
All Other Governmental Funds										
Restricted	148,543	1,308,242	1,650,496	755,108	47,617,988	34,440,663	19,142,218	3,343,588	208,377	7,510,495
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,858)</u>	<u>(216,954)</u>	<u>(486,395)</u>	<u>(693,377)</u>
Total all other governmental funds	<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>	<u>\$ (278,018)</u>	<u>\$ 6,817,118</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 34,177,243	\$ 36,249,715	\$ 37,665,506	\$ 38,667,832	\$ 39,764,229	\$ 41,686,406	\$ 42,846,456	\$ 44,269,221	\$ 45,114,688	\$ 46,222,453
Tuition	21,168	151,649	230,509	181,435	181,187	107,063	29,144	39,334	100,734	148,373
Transportation Fees	14,280	350				34,315	11,500	-	-	-
Miscellaneous	116,401	144,339	286,276	187,963	653,948	1,862,134	647,786	494,738	540,118	860,606
State Sources	31,221,147	33,369,666	33,425,734	34,601,723	36,621,456	39,708,760	45,372,050	51,219,682	60,644,140	71,765,157
Federal Sources	-	2,304,352	3,182,483	2,747,104	2,837,765	2,974,068	2,791,913	5,094,318	6,918,635	6,783,266
Private Sources	-	-	-	-	-	-	-	-	-	-
Total revenue	65,550,239	72,220,071	74,790,508	76,386,057	80,058,585	86,372,746	91,698,849	101,117,293	113,318,315	125,779,855
Expenditures										
Instruction										
Regular Instruction	28,237,321	27,736,394	27,776,518	28,746,500	30,966,696	33,775,950	34,815,598	41,115,125	45,938,524	52,396,578
Special Education Instruction	13,886,060	13,859,517	12,883,573	13,153,460	13,814,685	14,691,214	14,185,604	12,709,966	14,025,874	14,711,789
Other Instruction	2,589,920	2,593,607	3,125,208	3,427,976	3,041,495	3,090,547	3,313,606	1,771,452	1,900,551	2,301,541
School Sponsored Activities and Athletics	871,950	922,027	909,795	1,042,918	1,110,925	1,143,444	1,225,156	1,250,249	1,379,880	1,808,858
Support Services:										
Instruction - Tuition										
Student & Inst. Related Services	7,963,690	8,183,981	8,081,925	8,330,889	8,657,642	9,383,166	10,038,792	13,398,355	14,965,646	15,637,248
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	2,009,042	2,478,864
School Administrative Services	5,194,945	3,973,916	5,471,386	6,030,603	5,882,759	6,160,729	6,691,243	7,166,157	8,046,981	9,036,131
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	3,355,996	3,300,615
Other Administrative Services	-	-	-	-	-	-	-	-	-	-
Operations and Maintenance	7,500,158	5,368,915	5,981,135	5,866,137	6,255,547	6,513,800	6,591,382	7,082,896	7,472,616	9,260,870
Pupil Transportation	3,291,038	3,477,562	2,917,804	2,766,544	2,791,865	3,679,611	4,069,479	2,909,913	4,293,666	5,305,811
Unallocated Benefits										
Debt Service										
Principal	734,819	1,490,947	1,916,388	1,830,984	2,136,698	1,885,123	3,913,753	3,360,104	4,966,065	6,195,054
Interest	54,313	82,028	107,605	111,972	92,727	1,707,986	1,718,089	1,861,509	1,944,517	1,962,786
Capital Outlay	2,751,170	2,238,017	1,971,380	1,251,128	2,226,684	13,277,200	20,368,838	17,983,451	13,439,027	14,434,520
Total Governmental Fund Expenditures	76,058,855	73,535,936	75,432,346	76,433,326	80,658,870	99,278,627	111,061,588	115,421,847	123,738,385	138,830,665
Excess (Deficiency) of revenues over (under) expenditures	(10,508,616)	(1,315,865)	(641,838)	(47,269)	(600,285)	(12,905,881)	(19,362,739)	(14,304,554)	(10,420,070)	(13,050,810)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
Bond Proceeds					\$ 48,536,000					
Capital and Other Financing Agreements	\$ 2,186,035	\$ 3,323,512	\$ 2,193,829		402,666	\$ 583,000	\$ 3,904,725	\$ 698,034	\$ 1,837,669	\$ 14,490,356
Premium on Capital Financing Proceeds							274,000	-	-	-
Leases Issued									6,162,859	690,657
IT Subscription Arrangements										2,469,070
Insurance Recoveries									502,433	277,906
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	606,159	1,700,210
Transfers out		(105,000)			(214,809)	(214,809)	(447,298)	(507,078)	(606,159)	(1,700,210)
State Aid Advance Loan Proceeds	-	4,162,426								
Total other financing sources (uses)	<u>2,186,035</u>	<u>7,380,938</u>	<u>2,193,829</u>	<u>-</u>	<u>48,942,923</u>	<u>587,257</u>	<u>4,178,725</u>	<u>698,034</u>	<u>8,502,961</u>	<u>17,927,989</u>
Net change in fund balances	<u>\$ (8,322,581)</u>	<u>\$ 6,065,073</u>	<u>\$ 1,551,991</u>	<u>\$ (47,269)</u>	<u>\$ 48,342,638</u>	<u>\$ (12,318,624)</u>	<u>\$ (15,184,014)</u>	<u>\$ (13,606,520)</u>	<u>\$ (1,917,109)</u>	<u>\$ 4,877,179</u>
Debt service as a percentage of noncapital expenditures	1.08%	2.21%	2.76%	2.58%	2.84%	4.18%	6.21%	5.36%	6.27%	6.56%

* Noncapital expenditures are total expenditures less capital outlay.

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

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Fiscal Year Ended	Tuition	Transportation Fees	Interest on Investments	Gate Receipts	Miscellaneous Fees	Refunds	Rentals	Voided Outstanding Checks	E-Rate / Rebate	Other Misc.	Total
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
2022	100,734	-	10,350		2,383	191,481	41,850		3,581	16,269	366,648
2023	148,373		294,865		3,032	136,546	69,487	7,001		18,138	677,442

**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
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	3,095,687,807	3,294,805,364	1.452
2022	33,351,000	2,330,139,600		359,664,800	127,916,200	237,715,700	3,088,787,300	6,298,783	3,095,086,083	3,415,417,999	1.494
2023	29,365,500	2,339,915,000		369,448,900	121,163,900	240,518,300	3,100,411,600	6,001,800	3,106,413,400	3,813,825,891	1.517

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		
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	
2022	1.494	1.849	0.508	3.851	
2023	1.517	1.870	0.527	3.914	

Source: Municipal Tax Collector

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

Taxpayer	2023		2015	
	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	1.37%
432 Owners, Inc	21,635,800	0.70%	17,250,000	0.64%
Clara Maass Medical Center	15,668,100	0.50%		
Route 21 Assoc. of BLV, LLC	-		14,400,000	0.54%
Belleville Industrial Center	-		12,500,000	0.47%
CRP/LEG Belleville Owner. LLC	-	0.00%		
SROA Belleville Property, LLC	13,207,100	0.43%		
Oster Belleville Properties, LLC	11,802,000	0.38%	11,405,000	0.42%
Belleville Industrial Properties			10,997,700	0.41%
Bellevue Gardens, LLC	10,000,000	0.32%	10,494,600	0.39%
SH 726 LLC	9,800,300	0.32%	7,900,000	0.29%
Clara Maass c/o Altus Group	9,336,200	0.30%		
Belleville Center, LLC	8,787,500	0.28%	10,804,200	0.40%
TFJ Belleville & LERP BLV LLC	8,787,500	0.28%		
Venture, Draisin-Levco Belleville Assoc			7,661,500	0.29%
	<u>\$ 143,364,300</u>	<u>4.62%</u>	<u>\$ 140,135,900</u>	<u>5.21%</u>

Source: Municipal Tax Assessor

Note: Principal taxpayers from nine years ago was not available, therefore the most available information is presented from eight years ago.

**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	Total Collections to Date	
		Amount	Percentage of Levy		Amount Collected	Percentage of Levy
2013	\$ 32,959,663	\$ 32,959,663	100.00%	-	\$ 32,959,663	100.00%
2014	34,177,243	34,177,243	100.00%	-	34,177,243	100.00%
2015	36,249,715	36,249,715	100.00%	-	36,249,715	100.00%
2016	37,665,506	37,665,506	100.00%	-	37,665,506	100.00%
2017	38,667,832	38,667,832	100.00%	-	38,667,832	100.00%
2018	39,764,229	39,764,229	100.00%	-	39,764,229	100.00%
2019	41,686,406	41,686,406	100.00%	-	41,686,406	100.00%
2020	42,846,456	42,846,456	100.00%	-	42,846,456	100.00%
2021	44,269,221	44,269,221	100.00%	-	44,269,221	100.00%
2022	45,114,688	43,023,557	95.36%	\$ 2,091,131	45,114,688	100.00%
2023	46,222,453	46,222,453	100.00%		46,222,453	100.00%

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

Fiscal Year Ended June 30,	Governmental Activities						Subscription- Based Information Technology Arrangements	Total District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements	Other Financing Agreements	State Aid Advance Loan	Leases					
2013	-	-	-		-	-			35,845	\$ -
2014		\$ 2,815,293	\$ 198,458				\$ 3,013,751		35,876	84
2015		4,731,651	114,665	\$ 4,162,426			9,008,742		35,922	251
2016		5,540,000		3,746,183			9,286,183		35,950	258
2017		4,125,259		3,329,940			7,455,199		35,994	207
2018	\$ 48,536,000	2,547,481	264,246	2,931,697			54,279,424		35,977	1,509
2019	43,235,000	1,343,586	582,261	2,497,454			47,658,301		36,630	1,301
2020	46,010,000	4,563,414	295,648	2,081,211			52,950,273		36,644	1,445
2021	44,640,000	4,302,577	-	1,664,968	\$ 5,494,651		56,102,196		36,446	1,539
2022	43,235,000	4,578,758	-	1,248,725	10,074,176	\$ 609,321	59,745,980		37,774	1,582
2023	41,785,000	17,391,576		832,482	8,367,863	2,824,088	71,201,009		37,480	1,900

* 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	1.56%	\$ 1,349
2019	48,536,000		48,536,000	1.56%	1,325
2020	46,010,000		46,010,000	1.49%	1,256
2021	43,235,000		43,235,000	1.40%	1,186
2022	41,785,000		41,785,000	1.35%	1,106

Source: District records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2022
 (Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Belleville Township School District (as of June 30, 2023)	\$ 41,785,601
Township of Belleville	<u>44,408,798</u>
	<u>86,194,399</u>
Overlapping Debt Apportioned to the Municipality:	
Essex County:	
County of Essex (A)	33,355,863
Passaic Valley Sewerage Authority (B)	<u>9,007,031</u>
Total Overlapping Debt	<u>42,362,894</u>
Total Direct and Overlapping Debt	<u>\$ 128,557,293</u>

Source:

(1) Township's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the municipality by dividing the municipality's 2022 equalized value by the total 2022 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 2022

	Equalized valuation basis
	2022 \$ 3,767,732,740
	2021 \$ 3,397,496,275
	2020 \$ 3,261,154,073
	<u>\$ 10,426,383,088</u>
Average equalized valuation of taxable property	<u>\$ 3,475,461,029</u>
Debt limit (4 % of average equalization)	\$ 139,018,441
Total Net Debt Applicable to Limit	<u>41,785,601</u>
Legal debt margin	<u>\$ 97,232,840</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 130,574,228	\$ 139,018,441
Total net debt applicable to limit	-	-	-	-	-	48,536,601	48,536,601	46,010,601	44,640,601	43,235,601	41,785,601
Legal debt margin	<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>	<u>\$ 87,338,627</u>	<u>\$ 97,232,840</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	44.32%	44.01%	39.63%	36.24%	33.11%	30.06%

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>
2014	35,876	53,771	7.90%
2015	35,592	54,555	6.30%
2016	35,950	57,133	5.40%
2017	35,994	59,395	5.20%
2018	35,977	60,735	4.60%
2019	36,630	62,659	4.50%
2020	36,644	63,521	11.90%
2021	36,446	65,927	7.50%
2022	37,774	70,497	4.30%
2023	37,480	74,310	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>2023</u>		<u>2014</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</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>2022</u>	<u>2023</u>
Instruction										
Regular	249.0	270.0	293.0	238.0	229.0	250.0	254.0	288.0	325.0	343.0
Special Education	144.0	138.0	45.0	70.0	53.0	73.0	77.0	76.0	79.0	79.0
Other Special Education	29.0	29.0	44.0	104.0	107.0	103.0	108.0	118.0	116.0	123.0
Other Instruction	1.0	1.0	1.0	-	-					
Support Services:										
Student and Instruction Related Services	69.0	67.0	33.0	51.0	33.0	33.0	33.0	35.0	43.0	50.0
General Administrative Services	-	5.0	5.0	11.0	-	-			-	
School Administrative Services	39.0	42.0	21.0	17.0	35.0	35.0	35.0	35.0	39.0	48.0
Central Services	6.0	7.0	7.0	10.0	50.0	50.0	50.0	50.0	31.0	31.0
Administrative Information Technology	1.0	1.0	4.0	3.0	3.0	7.0	7.0	8.0	8.0	8.0
Plant Operations and Maintenance	50.0	47.0	36.0	39.0	36.0	36.0	36.0	46.0	50.0	61.0
Pupil Transportation	36.0	35.0	15.0	14.0	26.0	26.0	26.0	28.0	31.0	32.0
Other Support Services	23.0	23.0	16.0	15.0	63.0	63.0	63.0	51.0	57.0	62.0
	-									
Total	<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>	<u>779.0</u>	<u>837.0</u>

Source: District Personnel Records

N/A - Information is not available.

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	High School				
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	9.1	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%
2022	4,731	103,388,776	21,853	7.00%	404	11.9	12.0	11.2	4,533.0	4,197.6	3.34%	92.60%
2023	5,146	116,238,305	22,588	3.36%	422	13.8	11.0	11.5	4,893.3	4,454.4	7.95%	91.03%

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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Preschool										
Hornblower Early Childhood Center										
Square Feet								7,340	38,690	40,102
Capacity Students								75	200	261
Enrollment								66	177	309
Elementary										
School Three										
Square Feet	43,852	42,852	42,852	42,852	48,852	48,852	48,852	48,852	48,852	48,852
Capacity Students	299	299	299	299	299	299	299	299	299	299
Enrollment	342	341	338	306	343	389	350	330	334	372
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	368	374	360	349	322	427	459	478	473	457
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	339	347	308	328	355	424	401	384	403	394
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	364	370	396	388	380	431	450	397	426	453
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	465	447	430	430	442	511	498	470	491	510
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	119	114	116	127	127	134	138	122	113	139
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	166	163	148	166	168	171	151	158	173	166
Middle School										
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	1,046	1,046	1,024	974	973	621	711	741	700	677
Middle School Annex										
Square Feet										25,000
Capacity Students										470
Enrollment										-
High School										
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	1,510	1,460	1,404	1,388	1,378	1,356	1,393	1,341	1,441	1,474

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
Other										
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
487 Greylock Square Feet									1,524	1,524
499 Greylock Square Feet									1,558	1,558
335 Union Square Feet									1,490	1,490
387 Union Square Feet									1,260	1,260
567 Franklin Square Feet									3,620	3,620
Athletic Facility Square Feet									25,000	25,000
St. Peter's Parking lot Square Feet										16,000
56 Ralph - Offices Square Feet										4,700
56 Ralph - Maintenance Garage Square Feet										10,000
Number of Schools at June 30, 2023										
Preschool - 1										
Elementary - 7										
Middle School - 1										
High School - 1										
Other - 11										

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School Facilities										
School Three	\$ 115,324	\$ 76,151	\$ 65,827	\$ 71,216	\$ 88,401	\$ 89,785	\$ 92,859	\$ 49,199	\$ 49,240	\$ 76,068
School Four	95,135	62,820	54,303	58,749	72,925	74,067	76,603	193,284	193,445	298,840
School Five	65,751	;	37,531	40,603	50,401	51,190	52,943	75,529	75,592	116,777
School Seven	121,736	80,385	69,487	75,175	93,316	94,777	98,022	101,553	101,638	157,014
School Eight	131,363	86,742	74,982	81,120	100,695	102,272	105,774	106,584	106,672	164,790
School Nine	81,537	53,841	46,541	50,351	62,502	63,481	65,654	50,111	50,152	77,476
School Ten	54,297	35,854	30,993	33,530	41,622	42,274	43,721	18,297	18,312	28,289
Middle School	186,443	123,113	106,422	115,134	142,917	145,155	150,125	259,157	259,372	400,686
High School	391,736	258,672	223,602	241,907	300,282	304,984	315,427	631,904	632,429	976,998
Grand Total	<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>	<u>\$ 1,486,852</u>	<u>\$ 2,296,938</u>

Source: District Records

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - N.J. Schools Insurance Group		
Property:		
Blanket Building and Contents	\$ 218,357,492	
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	500,000	
Treasurer	500,000	
Automobile:		
Comprehensive Automobile Liability	16,000,000	1,000
Uninsured/Underinsured Motorists	1,000,000	
Personal Injury Protection	250,000	
Garage keepers Liability	Included	
Worker's Compensation		
	Statutory Limits	
Cyber Liability	2,000,000	
School Leaders Errors and Omissions - AIG	100,000/300,000	200,000
School Leaders Errors and Omissions - NJSIG	15,000,000	
Excess Liability (through NJUEP)	20,000,000	
Student Accident Insurance - Bollinger:		
Maximum Benefit Blanket Athletic Coverage Including Football	5,000,000	
Disability Plan for All Students	1,000,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA

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

**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 Board of Education
Belleville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Belleville Board of Education's basic financial statements and have issued our report thereon dated February 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Belleville Board of Education's internal control over financial reporting (internal control) 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 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Belleville Board of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Belleville Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are 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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Belleville Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 21, 2024.

Purpose of this Report

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

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 21, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Belleville Board of Education’s compliance with the types of compliance requirements identified as subject to audit 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 the Belleville Board of Education’s major federal and state programs for the fiscal year ended June 30, 2023. The Belleville Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Belleville Board of Education complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal and State Program

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Belleville Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Belleville Board of Education’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Belleville Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Belleville Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Belleville Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Belleville Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Belleville Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Belleville Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.


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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Belleville Board of Education, as of and for the fiscal year ended June 30, 2023, 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 February 21, 2024, 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 & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 21, 2024

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2022			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Adjustments	Balance, June 30, 2023			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	231NJ304N1099	7/1/22-6/30/23	\$ 308,403					\$ 308,403	\$ 304,691				\$ 3,712		\$ -	
National School Lunch Program - Non Cash	10.555	221NJ304N1099	7/1/21-6/30/22	167,647		\$ 12,260				12,260						-	
National School Lunch Program	10.555	231NJ304N1099	7/1/22-6/30/23	1,373,999					1,250,179	1,373,999				\$ (123,820)		\$ (123,820)	
National School Lunch Program	10.555	221NJ304N1099	7/1/21-6/30/22	2,507,051	\$ (221,446)				221,446					-		-	
National School Breakfast Program	10.553	231NJ304141099	7/1/22-6/30/23	506,496					457,048	506,496				(49,448)		(49,448)	
National School Breakfast Program	10.553	221NJ304141099	7/1/21-6/30/22	728,260	(55,567)				55,567					-		-	
Summer Food Service Program	10.559	22NJ304N1099	7/1/22-6/30/23	177,970					177,970	177,970						-	
Summer Food Service Program	10.559	21NJ304N1099	7/1/21-6/30/22	7,477					7,477	7,477						-	
Equipment Assistance Grant	10.579	211NJ354N8103	3/20/23-8/30/23	100,000										(100,000)	100,000	-	
Supply Chain Assistance	10.555	231NJ304N1099	7/1/22-6/30/23	226,499	\$ -	-	-	-	-	226,499	226,499	-	-	-	-	-	
Total Child Nutrition Cluster					(277,013)	12,260	-	-	-	2,704,589	2,609,392	-	-	(273,268)	103,712	(173,268)	
Total Enterprise Fund					(277,013)	12,260	-	-	-	2,704,589	2,609,392	-	-	(273,268)	103,712	(173,268)	
General Fund																	
U.S. Department of Health and Human Services																	
Passed-through State Department of Education																	
Medical Assistance Program (SEMI)	93.778	2005NJSMAP	7/1/22-6/30/23	182,862					182,862	182,862				-		-	
Medical Assistance Program (SEMI)	93.778	2005NJSMAP	7/1/21-6/30/22	149,215	(6,726)				6,726					-		-	
FFCRA/SEMI	93.778	2005NJSMAP	7/1/22-6/30/23	22,592					22,592	22,592				-		-	
U.S. Department of Homeland Security																	
FEMA - Public Asst. Grant - IDA	97.036	N/A	7/1/22-6/30/23	632,970					632,970	632,970				-		-	
U.S. Department of Treasury																	
Corona Virus Relief Fund	21.109	N/A	N/A	26,085	-	-	-	-	-	26,085	26,085	-	-	-	-	-	
Total General Fund					(6,726)	-	-	-	-	871,235	864,509	-	-	-	-	-	
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund																	
IDEA Part B, Basic	84.027	H027A220100	7/1/22-9/30/23	1,228,398			\$ 8,657	\$ (8,657)	910,134	1,226,389				(326,921)	10,666	(316,255)	
IDEA Part B, Basic	84.027	H027A210100	7/1/21-9/30/22	1,127,311	(107,296)	8,657	(8,657)	8,657	98,639					-		-	
IDEA Part B, APR Basic	84.027X	H027X210100	7/1/21-9/30/22	241,236	(148,556)	2,975			145,581					(2,975)	2,975	-	
IDEA Part B, Preschool Handicapped	84.173	H173A220114	7/1/22-9/30/23	32,893					32,893	32,893				-		-	
Total Special Education Cluster					(255,852)	11,632	-	-	-	1,187,247	1,259,282	-	-	(329,896)	13,641	(316,255)	
Carl D. Perkins Vocation Education	84.048A	V048A220030	7/1/22-6/30/23	48,797					20,274	45,776				(28,523)	3,021	(25,502)	
Carl D. Perkins Vocation Education	84.048A	V048A200030	7/1/20-9/30/21	53,800	-	-	2,000	-	-	-	2,000	-	-	-	-	-	
Total Carl D. Perkins Vocation Education					-	-	2,000	-	-	20,274	45,776	2,000	-	(28,523)	3,021	(25,502)	
ESEA - Title I, Part A	84.010	S010A220030	7/1/22-9/30/23	1,454,602			152,819	(152,819)	993,963	1,460,245				(613,458)	147,176	(466,282)	
ESEA - Title I, Part A	84.010	S010A210030	7/1/21-9/30/22	1,093,812	(503,094)	181,491	(152,819)	152,819	350,275	28,672				-		-	
ESEA - Title I, SIA Part A	84.010	S010A220030	7/1/22-9/30/23	10,000										(10,000)	10,000	-	
ESEA - Title I, Part A Re-Allocated	84.010	S010A200030	7/1/20-9/30/21	120,225	(34,474)	34,474								-		-	
Total ESEA Title I					(537,568)	215,965	-	-	-	1,344,238	1,488,917	-	-	(623,458)	157,176	(466,282)	
ESEA Title II, Part A	84.367A	S367A220029	7/1/22-9/30/23	209,795			108,066	(108,066)	131,560	194,216				(186,301)	123,645	(62,656)	
ESEA Title II, Part A	84.367A	S367A210029	7/1/21-9/30/22	178,596	(150,297)	108,396	(108,066)	108,066	42,231	330				-		-	
Total ESEA Title II					(150,297)	108,396	-	-	173,791	194,546				(186,301)	123,645	(62,656)	

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2022			Carryover/ (Walkover) Amount Def. Rev.	Carryover/ (Walkover) Amount A/R	Cash Received	Budgetary Expenditures	Refund of Prior Years Balance	Adjustments	Balance, June 30, 2023			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	S365A220030	7/1/22-9/30/23	\$ 59,969			\$ 21,888	\$ (21,888)	\$ 52,862	\$ 66,008			\$ (28,995)	\$ 15,849		(13,146)	
ESEA Title III - Language	84.365	S365A210030	7/1/21-9/30/22	55,742	(68,490)	21,888	(21,888)	21,888	46,602				-	-		-	
ESEA Title III - Immigrant	84.365	S365A220030	7/1/22-9/30/23	-			1,153	(1,153)	-	776			(1,153)	377		(776)	
ESEA Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22	24,285	(31,013)	1,153	(1,153)	1,153	29,860	-			-	-		-	
Total ESEA Title III					(99,503)	23,041	-	-	129,324	66,784			(30,148)	16,226		(13,922)	
ESEA Title IV	84.424	S424A220031	7/1/22-9/30/23	94,472			25,910	(25,910)	79,453	103,809			(40,929)	16,573		(24,356)	
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	83,463	(77,475)	25,910	(25,910)	25,910	51,565	-			-	-		-	
Total ESEA Title IV					(77,475)	25,910	-	-	131,018	103,809			(40,929)	16,573		(24,356)	
CARES Act	84.425D	S425D200027	3/13/20-9/30/22	893,607	-	8	-	-	-	8			-	-		-	
CRRSA - ESSER II	84.425D	S425D200027	3/13/20-9/30/23	3,747,907	(2,519,042)	775,861	-	-	1,729,319	114,015		103,245	(789,723)	765,091		(24,632)	
CRRSA - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	240,521	(85,094)	18,162	-	-	65,375	18,162			(19,719)	-		(19,719)	
CRRSA - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(45,000)	27,944	-	-	45,000	27,944			-	-		-	
ARP ESSER III	84.425U	S425U210027	3/13/20-9/30/24	8,423,180	(8,423,180)	7,381,694	-	-	1,840,464	5,074,936			(6,582,716)	2,306,758		(4,275,958)	
ARP Accelerated Learning Coach & Educator Support	84.425U	S425U210027	3/13/20-9/30/24	450,225	(450,225)	450,225	-	-	246,078	450,225			(204,147)	-		(204,147)	
ARP Evidence Based Summer Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000	-	-	-	40,000			(40,000)	-		(40,000)	
ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000	-	-	-	-			(40,000)	40,000		-	
ARP NTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000	-	-	-	180			(45,000)	44,820		(180)	
ARP Homeless Children and Youths	84.425W	S425W210031	4/23/21-9/30/24	28,281	-	-	-	-	-	8,827			(28,281)	19,454		(8,827)	
Total CARES/ESSER Cluster					(11,647,541)	8,778,894	-	-	3,926,236	5,734,297		103,245	(7,749,586)	3,176,123		(4,573,463)	
Coronavirus State and Local Fiscal Recovery																	
Additional or Compensatory Special Education and Related Ser	21.027	SLFRFDOE1SES	7/1/21-6/30/22	355,165	(355,165)	-	-	-	355,165	-			-	-		-	
Total CRF Cluster					(355,165)	-	-	-	355,165	-			-	-		-	
Total Special Revenue Fund					\$ (13,123,401)	\$ 9,163,838	\$ 2,000	\$ -	\$ -	\$ 7,267,293	\$ 8,893,411	\$ 2,000	\$ 103,245	\$ (8,988,841)	\$ 3,506,405	\$ -	\$ (5,482,436)
Total Federal Awards					\$ (13,407,140)	\$ 9,176,098	\$ 2,000	\$ -	\$ -	\$ 10,843,117	\$ 12,367,312	\$ 2,000	\$ 103,245	\$ (9,262,109)	\$ 3,610,117	\$ -	\$ (5,655,704)

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Transfers / Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo	
										(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 38,526,465			\$ 34,714,923	\$ 38,526,465			\$ (3,811,542)				\$ 38,526,465
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	30,028,002	(2,972,073)		2,972,073				-				-
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	3,112,840			2,804,877	3,112,840			(307,963)				3,112,840
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	3,112,840	(308,099)		308,099				-				-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	1,686,624			1,519,761	1,686,624			(166,863)				1,686,624
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	1,686,624	(166,936)		166,936				-				-
Total State Aid Public Cluster				(3,447,108)		42,486,669	43,325,929			(4,286,368)				43,325,929
Transportation Aid														
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	625,449			563,571	625,449			(61,878)				625,449
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	625,449	(61,905)		61,905				-				-
Non-Public School Transportation	23-495-034-5120-014	7/1/22-6/30/23	89,856				89,856			(89,856)			(89,856)	89,856
Non-Public School Transportation	22-495-034-5120-014	7/1/21-6/30/22	75,400	(75,400)		75,400				-			-	-
Total Transportation Aid Cluster				(137,305)		700,876	715,305			(151,734)			(89,856)	715,305
Extraordinary Special Ed Costs Aid														
Extraordinary Special Ed Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	680,874				680,874			(680,874)				680,874
Extraordinary Special Ed Costs Aid On Behalf Payments	22-495-034-5120-044	7/1/21-6/30/22	694,316	(694,316)		694,316				-				-
TPAF Social Security	22-495-034-5094-003	7/1/22-6/30/23	3,005,930			3,005,930	3,005,930			-			-	3,005,930
TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	2,761,668	(137,355)		137,355				-			-	-
TPAF Contributions:														
Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	177,326			177,326	177,326							177,326
Pension Benefit Contribution	23-495-034-5094-002	7/1/22-6/30/23	12,781,317			12,781,317	12,781,317							12,781,317
Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	4,776			4,776	4,776							4,776
Post Retirement Medical Benefit Contribution	23-495-034-5094-001	7/1/22-6/30/23	3,404,204			3,404,204	3,404,204							3,404,204
Total General Fund				(4,416,084)		63,392,769	64,095,661			(5,118,976)			(89,856)	64,095,661
Special Revenue:														
Preschool Education Aid	23-495-034-5120-065	7/1/22-6/30/23	6,933,775		\$ 84,213	6,240,398	7,835,433	817,445		(693,377)				7,835,433
Preschool Education Aid	22-495-034-5120-065	7/1/21-6/30/22	5,765,070	(486,395)	(84,213)	570,608				-				-
Total Preschool Ed Aid				(486,395)		6,811,006	7,835,433	817,445		(693,377)				7,835,433
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	77,088			77,088	42,299					34,789		42,299
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	60,019	11,287					11,287					
Total Auxiliary Services (Chapter 192) Cluster				11,287		77,088	42,299		11,287			34,789		42,299

BELLEVILLE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo		
										(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
Handicapped Services:															
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	\$ 3,800			\$ 3,800	\$ 882					\$ 2,918		\$ 882	
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	18,600			18,600	6,789					11,811		6,789	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	18,600	\$ 16,275					\$ 16,275			-		-	
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	10,738			10,738	5,534					5,204		5,534	
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	10,738	4,708					4,708			-		-	
Total Handicapped Services (Chapter 193) Cluster				20,983	-	33,138	13,205	-	20,983	-	-	19,933	-	13,205	
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	7,854			7,854	7,595					259		7,595	
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	7,982	983					983			-		-	
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	13,328			13,328	11,128					2,200		11,128	
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	14,896	3,397					3,397			-		-	
Nonpublic Technology	23-100-034-5120-373	7/1/22-6/30/23	4,998			4,998	407					4,591		407	
Nonpublic Technology	22-100-034-5120-373	7/1/21-6/30/22	5,586	1,151					1,151			-		-	
Nonpublic Security	23-100-034-5120-509	7/1/22-6/30/23	24,395			24,395	24,262					133		24,262	
Nonpublic Security	22-100-034-5120-509	7/1/21-6/30/22	23,275	11,372					11,372			-		-	
Climate Awareness Education Grant	N/A	4/1/23-6/30/23	6,660			6,660	6,660					-		6,660	
Alyssa's Law School Security Grant	20E00620	7/1/20-6/30/22	250,420	(171,185)		246,185	79,235				(4,235)	-	(4,235)	246,185	
New Jersey Schools Development Authority															
Emergent and Capital Maintenance Needs	N/A	N/A	118,366			118,366	118,366					-		118,366	
NJ Department of Environment Protection															
Equipment Modernization Program - Electric School Buses	069G	N/A	834,604	(820,704)				814,604			(834,604)	828,504	(6,100)	820,704	
Total Special Revenue Fund				(1,429,111)	-	7,343,018	8,138,590	1,632,049	49,173	(1,532,216)	828,504	61,905	(10,335)	9,126,244	
Debt Service Fund:															
Debt Service Aid-Type II	23-495-034-5120-075	7/1/22-6/30/23	1,179,275			1,179,275	1,179,275					-		1,179,275	
Total Debt Service Fund				-	-	1,179,275	1,179,275	-	-	-	-	-	-	-	1,179,275
State Department of Agriculture															
Enterprise Fund:															
State Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	8,596			7,700	8,596				(896)		(896)	8,596	
State After the Bell Program	23-100-010-3350-023	7/1/22-6/30/23	29,527			26,893	29,527				(2,634)		(2,634)	29,527	
State School Lunch Program	22-100-010-3350-023	7/1/22-6/30/23	49,959			45,513	49,959				(4,446)		(4,446)	49,959	
Summer Food Program State	23-100-010-3350-023	7/1/22-6/30/23	5,029			5,029	5,029				-		-	5,029	
Summer Food Program State	22-100-010-3350-023	7/1/21-6/30/22	59,057	(5,096)		5,307	211				-		-	211	
Total Food Service Fund				(5,096)	-	90,442	93,322	-	-	(7,976)	-	-	(7,976)	93,322	
Total State Financial Assistance Subject to Single Audit Determination				(5,850,291)	-	72,005,504	73,506,848	1,632,049	49,173	(6,659,168)	828,504	61,905	(108,167)	74,494,502	
State Financial Assistance Not Subject to Major Program Determination															
General Fund															
On-Behalf TPAF Pension System Contributions-NCGI		7/1/22-6/30/23	-			(177,326)	(177,326)				-		-	(177,326)	
On-Behalf TPAF Pension System Contributions- Pension Benefit		7/1/22-6/30/23	-			(12,781,317)	(12,781,317)				-		-	(12,781,317)	
On-Behalf TPAF Long Term Disability Insurance		7/1/22-6/30/23	-			(4,776)	(4,776)				-		-	(4,776)	
On-Behalf TPAF Post-Retirement Medical Contribution		7/1/22-6/30/23	-			(3,404,204)	(3,404,204)				-		-	(3,404,204)	
Total State Financial Assistance Subject to Major Program Determination				\$ (5,850,291)	\$ -	\$ 55,637,881	\$ 57,139,225	\$ 1,632,049	\$ 49,173	\$ (6,659,168)	\$ 828,504	\$ 61,905	\$ (108,167)	\$ 58,126,879	

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Belleville Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. -Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 \$825,791 for the general fund and a decrease of \$2,979,358 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	\$ 864,509	\$ 63,269,870	\$ 64,134,379
Special Revenue Fund	5,918,757	7,316,012	13,234,769
Debt Service Fund		1,179,275	\1,179,275
Food Service Fund	<u>2,609,392</u>	<u>93,322</u>	<u>2,702,714</u>
Total Awards and Financial Assistance	<u>\$ 9,392,658</u>	<u>\$ 71,858,479</u>	<u>\$ 81,251,137</u>

**BELLEVILLE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 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 6 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 \$3,005,930 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$12,958,643, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,404,204 and TPAF Long-Term Disability Insurance in the amount of \$4,776 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 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 8 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, 2023**

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? yes X none reported

Noncompliance material to basic financial statements noted? yes X 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? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>231NJ304N1099</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>231NJ304N1099</u>	<u>National School Lunch Program/Supply Chain Assistance</u>
<u>10.559</u>	<u>22NJ304N1099</u>	<u>Summer Food Service Program</u>
<u>84.010</u>	<u>S010A220030</u>	<u>ESEA - Title I, Part A</u>
<u>97.036</u>	<u>N/A</u>	<u>FEMA - Public Assistance Grant</u>

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

Auditee qualified as low-risk auditee? yes X no

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified?

_____ yes X no

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

_____ yes X none reported

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

Unmodified _____

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

 X yes _____ no

Identification of major state programs:

GMIS Number(s)	Name of State Program
<u>23-495-034-5120-078</u>	<u>Equalization Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-084</u>	<u>Security Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-089</u>	<u>Special Education Aid - State Aid Public Cluster</u>
<u>23-495-034-5120-065</u>	<u>Preschool Education Aid</u>
<u>23-495-034-5120-075</u>	<u>Debt Service Aid</u>

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

\$ 1,714,177

Auditee qualified as low-risk auditee?

_____ yes X no

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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*.

There are none.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Finding 2023-001

The Food Service Management Company was awarded a contract by Board resolution and submitted and approved by the State with a \$400,000 guaranteed profit provision for the 2022/2023 year. The contract was subsequently revised to a \$250,000 guaranteed profit provision for 2022/2023 that was neither approved by Board resolution nor submitted to the State for approval.

State program information:

National School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program	10.559

Criteria or specific requirement:

Federal Grant Compliance Supplement – Child Nutrition Cluster – Procurement and Suspension and Debarment

Condition:

Contract amendment to Food Service Management contract was not submitted to the Board or State for approval.

Questioned Costs:

Unknown.

Context:

See Finding 2023-001.

Effect:

Noncompliance with Board policy, State regulations and Child Nutrition Program requirements.

Cause:

Unknown.

Recommendation:

Any amendments to the approved Food Service Management Company’s contract be approved by Board resolution and submitted to the State for approval as required.

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, 2023**

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 2023-002

We noted the year-end Board Secretary and Treasurer's reports for June 2023 were not approved by the Board or submitted to the Executive County Superintendent timely. The Board approved the June 2023 reports on October 16, 2023, and were submitted to the County on January 11, 2024.

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

Condition:

June 2023 year-end reports of the Board Secretary and Treasurer of School Monies were not submitted to the Board or Executive Count Superintendent of Schools in a timely manner.

Questioned Costs:

None.

Context:

See Finding 2023-002.

Effect:

Noncompliance with requirements of State Aid - Public.

Cause:

Unknown.

Recommendation:

Internal control procedures be reviewed and revised to ensure the year-end Treasurer's and Board Secretary monthly reports for June are submitted timely to the Board and Executive County Superintendent as required.

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, 2023**

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 2023-003

Our audit of purchases and contract awards in excess of the bid threshold revealed the following as it relates to compliance with Public School Contract Law and State procurement regulations:

- We noted payments for consulting/recruiting services which exceeded the bid threshold that were not awarded through a public bid or competitive contracting process.
- We noted certain cooperative purchasing program contract award information was not on file in the District and not being reviewed for certain purchases to ensure amounts invoiced were for goods or services awarded and prices paid in accordance with the cooperative purchasing program award.
- We noted in certain instances where contracts in excess of the bid threshold were awarded “as per quote” or “as per contract” by Board resolution with no indication of procurement method process, (i.e. public bid, competitive contracting, cooperative purchasing program, professional services).
- A change order increasing a contract in excess of 20% of the original contract award amount was not approved by Board Resolution, did not have written certification justifying the circumstances to necessitate issuance of the change order and a notice was not advertised in the District’s official newspaper of a change order award exceeding 20% of the original contract award.
- Resolutions for bid rejections were not approved by Board Resolution.

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 and requirements specified in the Public School Contracts Law.

Questioned Costs:

Unknown.

Context:

See Finding 2023-003.

Effect:

Noncompliance with requirements of the Public School Contracts Law.

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2023-003 (Continued)

Cause:

Unknown.

Recommendation:

Continued efforts be made over purchasing procedures to ensure all contract awards and purchases that exceed the bid threshold are procured in accordance with the requirements of the Public School Contracts Law and State procurement regulations. In addition, documentation be maintained on file to support the District's awards pursuant to cooperative purchasing programs in all instances

Views of Responsible Officials and Planned Corrective Action Plan:

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

**BELLEVILLE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2022-001

Condition

Purchases and contract awards in excess of the bid thresholds procured through certain State contract and cooperative purchasing programs did not have contract award information on file in the District.

Current Status

See Finding 2023-003.