

**THE TOWNSHIP OF SPRINGFIELD  
SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2011**

**SCHOOL DISTRICT  
OF  
THE TOWNSHIP OF SPRINGFIELD**

***The Township of Springfield Board of Education  
Springfield, New Jersey***

***Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011***

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

*of the*

**TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION**

**SPRINGFIELD, NEW JERSEY**

*For the Fiscal Year Ended June 30, 2011*

*Prepared by*

**The Township of Springfield Board of Education  
Finance Department**

**STATE BOARD OF EDUCATION**

ARCELIO APONTE..... President	Middlesex
RONALD K. BUTCHER..... Vice President	Gloucester
CLAIRE CHAMBERLAIN ECKERT.....	Somerset
JACK FORNARO .....	Warren
EDITHE FULTON.....	Ocean
ROBERT P. HANEY.....	Monmouth
ERNEST LEPORE, PH.D.....	Hudson
ANDREW J. MULVHILL.....	Sussex
ILAN PLAWKER.....	Bergen
J. PETER SIMON.....	Morris
DOROTHY STRICKLAND.....	Essex

**Christopher D. Cerf, Acting Commissioner  
Secretary, State Board of Education**

**THE TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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***INTRODUCTORY SECTION***

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION  
P.O. BOX 210  
SPRINGFIELD, NEW JERSEY 07081**

**(973) 376-1025 TEL  
(973) 912-9229 FAX**

**Matthew A. Clarke  
School Business Administrator/  
Board Secretary**

October 31, 2011

Honorable President and  
Members of the Board of Education  
The Township of Springfield School District  
County of Union, New Jersey

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR), of the Township of Springfield School District for the fiscal year ended June 30, 2011. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this new financial reporting model as required by the State of New Jersey. This new reporting model will provide all users of this document with much more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. 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 of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "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:** The Township of Springfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Township of Springfield 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, as well as, special education for handicapped youngsters. The District completed the 2009-2010 fiscal year with an enrollment of 2,185 students, which is 7 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

#### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	2185	(0.003)%
2009-10	2,192	6.10%
2008-09	2,066	0.54%
2007-08	2,055	(0.58)%
2006-07	2,067	(0.19)%
2005-06	2,071	(0.96)%
2004-05	2,091	2.55%
2003-04	2,039	1.69%
2002-03	2,005	4.26%
2001-02	1,923	3.67%
2000-01	1,855	2.49%
1999-00	1,810	1.51%
1998-99	1,783	2.41%
1997-98 *	1,741	37.63%
1996-97	1,265	3.27%

\* As of July 1, 1997, the District went from PK through 8 to PK through 12 due to the dissolution of the Union County Regional School District #1.

**2) ECONOMIC CONDITION AND OUTLOOK:** Springfield Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, and enrollment increasing, the financial impact has begun to negatively impact the school tax levy pushing it to a higher proportion of the total tax levy. This fiscal year saw no state formula aid. These factors have created a heavy dependence on local tax revenue to support the schools.

**3) MAJOR INITIATIVES:** The district continues to work on improving its curriculum. Major efforts were made to ensure that it is aligned with the New Jersey Core Curriculum Content Standards. We have also provided extensive staff development to improve the teaching-learning process. The district reviewed its teacher evaluation process and offers a system that will help staff to reflect upon their practice and develop their skills. The district is committed to a differentiated instruction philosophy to promote the academic achievement of all students.

**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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

**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.

**7) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. 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.

**8) 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 in property and contents, and fidelity bonds.

**9) OTHER INFORMATION:**

**A) INDEPENDENT AUDIT** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cannone & Company, CPAs, was selected by the Board's finance committee. 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 of 1984 as amended by the Single Audit Act Amendments of 1996 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose 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.

**10) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Township of Springfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

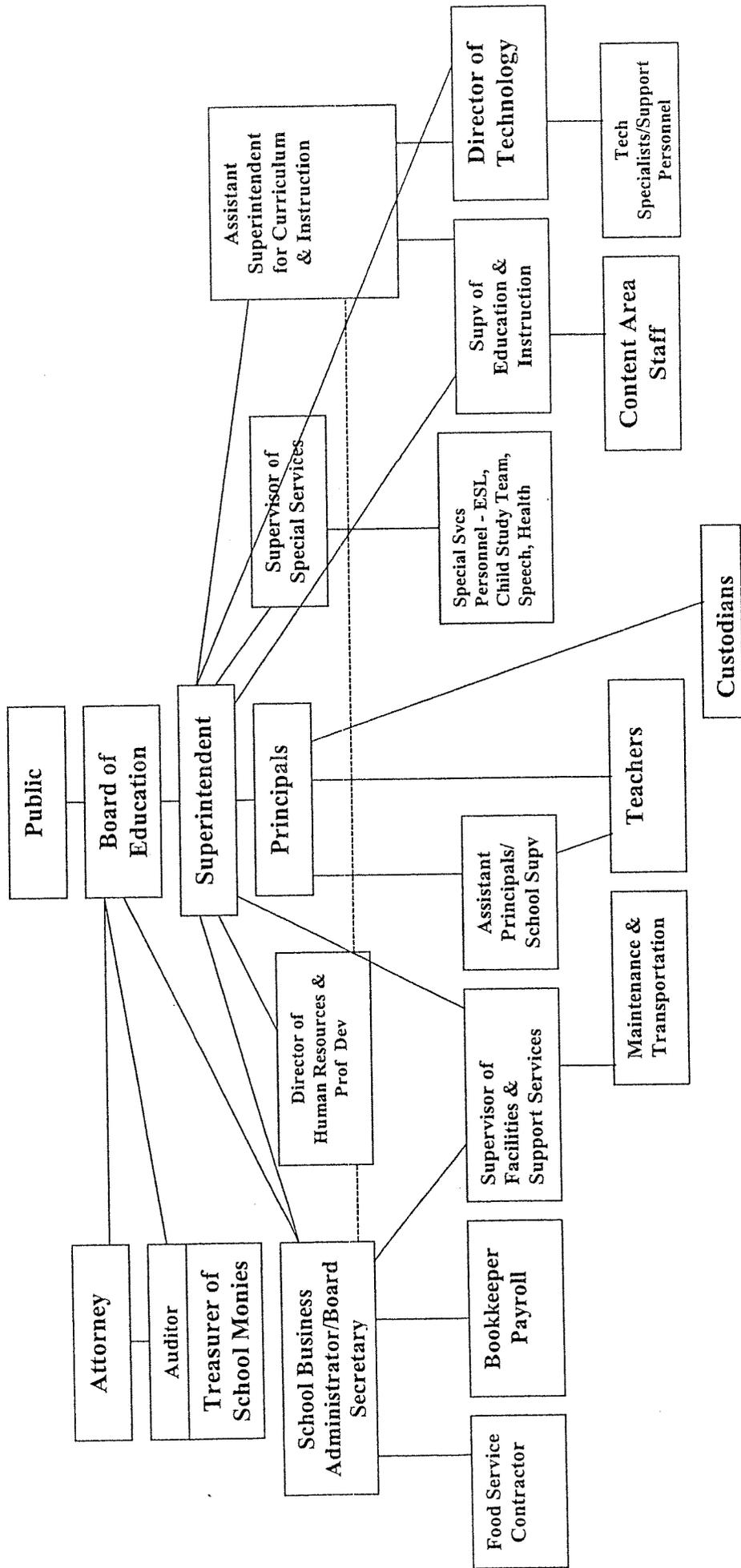


Michael Davino  
Superintendent



Matthew A. Clarke  
School Business Administrator/  
Board Secretary

**SPRINGFIELD PUBLIC SCHOOLS**  
Organizational Chart



**KEY**  
 -----denotes Lines of Cooperation  
 \_\_\_\_\_denotes Lines of Authority

Rev July 27, 2007

**THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION  
SPRINGFIELD, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2011**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Patricia Venezia, President	2013
Irwin Sablosky	2013
Anthony Delia	2012
Brian Kass	2012
Jacqueline Shanes	2012
Scott Silverstein	2013
Steven V. Friedman	2014
Steven Wolcott, Vice President	2014
Scott Samansky	2014
<b><u>Other Officials</u></b>	
Michael Davino, Superintendent	
Matthew A. Clarke, School Business Administrator/Board Secretary	
Manuel Vieira, Treasurer	

THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION  
SPRINGFIELD, NEW JERSEY

CONSULTANTS AND ADVISORS  
June 30, 2011

***Architect***

Design Idea Group  
15 Bethany Street  
New Brunswick, NJ 08901

***Audit Firm***

Cannone & Company, P.A.  
485 Morris Avenue  
Springfield, NJ 07081

***Attorneys***

Vito A. Gagliardi, Jr., Esq.  
100 Southgate Parkway  
P.O. Box 1997  
Morristown, NJ 07962-1997

***Official Depository***

Investor Savings Bank  
Dean Witter – New Jersey Cash Management

***FINANCIAL SECTION***

**CANNONE AND COMPANY, P.A.***Certified Public Accountants*

485 Morris Avenue

Springfield, New Jersey 07081

(973) 379-6868

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## MEMBER:

American Society of Certified Public Accountants

New Jersey Society of Certified Public Accountants

**Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
The Township of Springfield School District  
County of Union  
Springfield, New Jersey

We have audited the accompanying general-purpose financial statements of the Board of Education of the Township of Springfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2011 as listed in the table of contents. These general-purpose financial statements are the responsibility of the Township of Springfield Board of Education management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Springfield Board of Education in the County of Union, State of New Jersey, as of June 30, 2011, and the results of its operations and the cash flows of its proprietary fund types (and similar trust fund types) for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of the Township of Springfield Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 18 and 58 through 69 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Township of Springfield Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and schedules listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Additionally, the schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, PA  
Certified Public Accountants

November 30, 2011

***REQUIRED SUPPLEMENTARY INFORMATION  
PART I***

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

The discussion and analysis of Springfield School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GAS B) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$2,298,513, which represents a 14.5 percent increase from 2010.
- General revenues accounted for \$31,618,915 in revenue or 88.5 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,092,644 or 11.5 percent of total revenues of \$37,711,559.
- Total assets of governmental activities totaled \$31,271,338 as unrestricted cash and cash equivalents totaled \$2,129,845, receivables totaled \$1,270,517, restricted assets totaled \$1,104,642 and capital assets totaled \$26,766,334.
- The School District had \$35,848,684 in expenses; only \$4,092,644 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$32,868,559 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$34,817,806 in revenues and \$35,126,004 in expenditures. The General Fund's fund balance decreased \$308,198 over 2010. This decrease was anticipated by the Board of Education.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Springfield School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Springfield School District, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of *accounting* takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

**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 are part of this report.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2011 and comparison data for 2010.

	2010	2011
<b>Assets</b>		
Current and Other Assets	\$ 4,229,924	\$ 4,956,323
Capital Assets	24,731,037	26,766,334
<b>Total Assets</b>	<b>\$ 28,960,961</b>	<b>\$ 31,722,657</b>
<b>Liabilities</b>		
Long-term Liabilities	\$ 11,826,684	\$ 11,948,034
Other Liabilities	1,250,937	1,592,770
<b>Total Liabilities</b>	<b>\$ 13,077,621</b>	<b>\$ 13,540,804</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$ 13,617,773	\$ 15,287,869
Restricted	1,660,036	2,280,200
Unrestricted	605,531	613,784
<b>Total Net Assets</b>	<b>\$ 15,883,340</b>	<b>\$ 18,181,853</b>

Table 1 Net Assets

The District's combined net assets were \$18,181,853 on June 30, 2011. Total assets increased by \$2,761,696 from the previous year, 2010. Total liabilities increased by \$463,183 from the previous year, 2010. In total, the net assets increased by \$2,298,513 from the 2010 year.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

Table 2 shows changes in net assets for fiscal year 2011 and revenue and expense comparisons to fiscal year 2010.

Table 2

	2010	2011
Revenues		
Program Revenues:		
Charges for Services	\$ 928,842	\$ 1,011,716
Operating Grants and Contributions	2,875,773	3,080,928
General Revenues:		
Property Taxes	31,490,028	32,868,559
Grants and Entitlements	1,571,661	426,267
Other	617,752	622,602
Total Revenues	33,679,441	\$ 33,917,428
Program Expenses		
Instruction	19,972,930	\$ 20,022,349
Support Services:		
Pupils and Instructional Staff	6,307,421	\$ 6,159,422
General Administration, School Administration, Business Operations and Maintenance of Facilities	7,281,756	6,771,742
Pupil Transportation	1,445,442	1,393,058
Special Schools	48,549	59,203
Interest on Debt	427,925	407,750
Food Service & Before/Aftercare	971,707	982,236
Total Expenses	36,455,730	\$ 35,795,760
Increase (Decrease) in Net Assets	2,028,326	\$ (659,970)

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

On the revenue side, property taxes increased by \$1,378,531 (which included voter approved construction for debt of \$1,093,025) from the previous year 2010.

On the expense side, interest on debt decreased by \$20,175.

Overall, net assets increased by \$64,353 from the previous year 2010.

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 88.9 percent of revenues for governmental activities for the Springfield School District for fiscal year 2011. The District's total revenues were \$36,956,697 for the year ended June 30, 2011. Federal, state, and local grants accounted for another 11.1 percent of revenue.

**Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues received were \$509,778. An increase of \$25,540 from the previous year 2010.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$120,565.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$36,956,697 and expenditures were \$37,600,272. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$643,575.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage for those revenues.

<i>Revenue</i>	<i>2010</i>		<i>2011</i>	
	<i>Amount</i>	<i>Percent of Total</i>	<i>Amount</i>	<i>Percent of Total</i>
Local sources	\$32,050,990	88.1	\$33,449,930	90.5
State Sources	3,632,502	10.0	2,712,736	7.3
Federal Sources	709,825	1.9	794,031	2.2
<b>Total</b>	<b>\$36,393,317</b>	<b>100.00</b>	<b>\$36,956,697</b>	<b>100.00</b>

Local revenues were the largest component of Total Revenues. The Local Tax Levy of \$32,686,559 represented 98.3 percent of the local source of revenues.

State sources largest component was for non-budgeted unallocated benefits, \$2,051,621 which represented 75.6% of the state source of revenues.

IDEA and ARRA IDEA funds represented the largest portion of Federal Revenues. These funds are used to educate children in special education programs.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

**Capital Assets**

At the end of the fiscal year 2011, the School District had \$26,303,832 invested in land, building, furniture and equipment, and vehicles.

Overall capital assets (net) increased \$1,573,083 from fiscal year 2010 to fiscal year 2011. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2011, the School District had \$13,001,910 of outstanding debt. Of this amount, \$1,523,445 is for compensated absences; \$1,259,465 for various capital leases, and \$10,219,000 of serial bonds for school construction.

For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The Springfield School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding was eliminated.

Springfield School District's budget for 2011-12 passed by a significant margin (64%-36%). Contributing factors are thought to be a moderate tax rate hike and a marginal change in the bottom line.

In conclusion, the Springfield School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

**SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011 UNAUDITED**

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Matthew A. Clarke, School Business Administration/Board Secretary at Springfield Board of Education, 139 Mountain Avenue, P.O. Box 210, Springfield, NJ 07081. Please visit our website at [www.springfieldschools.com](http://www.springfieldschools.com).

***BASIC FINANCIAL STATEMENTS***

## ***DISTRICT-WIDE FINANCIAL STATEMENTS***

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**Springfield Board of Education**  
**Statement of Net Assets**  
**6/30/2011**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,129,845	\$ 403,918	\$ 2,533,763
Investments			-
Receivables, net	1,270,517	38,379	1,308,896
Inventory		9,022	9,022
Restricted assets:			
Cash and cash equivalents			-
Capital reserve account - cash	1,104,642		1,104,642
Capital assets, net (Note 4):	26,766,334		26,766,334
Other assets			-
Total Assets	31,271,338	451,319	31,722,657
<b>LIABILITIES</b>			
Cash Overdraft			-
Accounts payable		52,733	52,733
Accrued Interest Expense	198,738		198,738
Deposits payable			-
Payable to federal government			-
Payable to state government	2,211		2,211
Payable to local government	124,987		124,987
Deferred revenue	160,225		160,225
Noncurrent liabilities (Note 5):			
Due within one year	1,053,876		1,053,876
Due beyond one year	11,948,034		11,948,034
Total liabilities	13,488,071	52,733	13,540,804
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	15,287,869		15,287,869
Restricted for:			
Debt service			-
Capital projects	1,764,203		1,764,203
Other purposes	515,997		515,997
Unrestricted	215,198	398,586	613,784
Total net assets	\$ 17,783,267	\$ 398,586	\$ 18,181,853

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

Springfield Board of Education  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 14,282,597		\$ 1,552,825		\$ (12,729,772)	\$ -	\$ (12,729,772)
Special education	4,451,321		603,800		(3,847,521)	-	(3,847,521)
Other special instruction	492,702		51,940		(440,762)	-	(440,762)
Vocational					-	-	-
Other instruction	795,729		12,985		(782,744)	-	(782,744)
Nonpublic school programs							
Adult/continuing education programs							
Support services:							
Tuition	2,412,685	53,960			(2,358,725)	-	(2,358,725)
Student & instruction related services	3,746,737		238,962		(3,507,775)	-	(3,507,775)
School administrative services	1,496,572		90,895		(1,405,677)	-	(1,405,677)
General and business administrative serv	700,443		32,462		(667,981)	-	(667,981)
Plant operations and maintenance	4,057,042	21,750	292,092	137,125	(3,606,075)	-	(3,606,075)
Pupil transportation	1,393,058	11,684	45,447		(1,335,927)	-	(1,335,927)
Business and other support services	517,685		38,955		(478,730)	-	(478,730)
Special schools	59,203				(59,203)	-	(59,203)
Compensated Absences	52,924				(52,924)	-	(52,924)
Interest on long-term debt	407,750				(407,750)	-	(407,750)
Unallocated depreciation					-	-	-
Total governmental activities	<u>34,866,448</u>	<u>87,394</u>	<u>2,960,363</u>	<u>137,125</u>	<u>(31,681,566)</u>	<u>-</u>	<u>(31,681,566)</u>
Business-type activities:							
Food Service	624,338	509,778	120,565		6,005	6,005	6,005
Before/After Care	357,898	414,544			56,646	56,646	56,646
Total business-type activities	<u>982,236</u>	<u>924,322</u>	<u>120,565</u>	<u>-</u>	<u>62,651</u>	<u>62,651</u>	<u>62,651</u>
Total primary government	<u>\$ 35,848,684</u>	<u>\$ 1,011,716</u>	<u>\$ 3,080,928</u>	<u>\$ 137,125</u>	<u>\$ (31,681,566)</u>	<u>\$ 62,651</u>	<u>\$ (31,618,915)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes.net					\$ 31,775,534	\$ -	\$ 31,775,534
Taxes levied for debt service					1,093,025	-	1,093,025
Federal and State aid not restricted					426,267	-	426,267
Miscellaneous Revenues					356,991	356,991	356,991
Investment Earnings					119,998	1,702	121,700
Adjustments:							
Capital lease payments					199,799	199,799	199,799
Fixed asset encumbrances					(55,888)	(55,888)	(55,888)
Total general revenues, special items, extraordinary items and transfers					<u>33,915,726</u>	<u>1,702</u>	<u>33,917,428</u>
Change in Net Assets					2,234,160	64,353	2,298,513
Net Assets—beginning					15,549,107	334,233	15,883,340
Net Assets—ending					<u>\$ 17,783,267</u>	<u>\$ 398,586</u>	<u>\$ 18,181,853</u>

## ***FUND FINANCIAL STATEMENTS***

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

***GOVERNMENTAL FUNDS***

Springfield Board of Education  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	2,766,548	(206,371)	(430,332)		2,129,845
Investments					0
Capital Reserve Account	1,104,642				1,104,642
Receivables, net					0
Due from other funds					0
Receivables - State	298,788	359,200	589,893		1,247,881
Receivables - Federal	11,984				11,984
Accounts Receivable - Other	1,045	9,607			10,652
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents					0
Other assets					0
	<u>4,183,007</u>	<u>162,436</u>	<u>159,561</u>	<u>0</u>	<u>4,505,004</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable					0
Accrued Interest					0
Interfund payable					0
Payable to federal government					0
Payable to state government		2,211			2,211
Payable to local government	124,987				124,987
Deferred revenue		160,225			160,225
Total liabilities	<u>124,987</u>	<u>162,436</u>	<u>0</u>	<u>0</u>	<u>287,423</u>
Fund Balances:					
Reserved for:					
Encumbrances	1,283,740				1,283,740
Budgeted Fund Balance	0				0
Legally restricted -- designated for subsequent year's expenditures					0
Capital reserve account	1,604,642				1,604,642
Excess surplus	299,029				299,029
Excess surplus -- designated for subsequent year's expenditures	216,968				216,968
Other purposes					0
Unreserved, reported in:					0
General fund	653,641				653,641
Special Revenue fund					0
Debt service fund					0
Capital projects fund			159,561		159,561
Permanent fund					0
Total Fund balances	<u>4,058,020</u>	<u>0</u>	<u>159,561</u>	<u>0</u>	<u>4,217,581</u>
Total liabilities and fund balances	<u>4,183,007</u>	<u>162,436</u>	<u>159,561</u>	<u>0</u>	

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

Interest expense in the governmental funds is reported when due.

In the statement of activities, interest on long-term debt is accrued.

(198,738)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$40,468,989 and the accumulated depreciation is \$13,702,655.

26,766,334

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)

(13,001,910)

Net assets of governmental activities

17,783,267

**Springfield Board of Education**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 31,775,534			\$ 1,093,025	\$ 32,868,559
Transportation Fees	11,684				11,684
Rental Facilities	21,750				21,750
Interest on Investments	119,998				119,998
Tuition charges	53,960				53,960
Miscellaneous	356,991	16,988			373,979
Total - Local Sources	<u>32,339,917</u>	<u>16,988</u>	-	<u>1,093,025</u>	<u>33,449,930</u>
State sources	2,465,905	109,706	137,125		2,712,736
Federal sources	11,984	782,047			794,031
Total revenues	<u>34,817,806</u>	<u>908,741</u>	<u>137,125</u>	<u>1,093,025</u>	<u>36,956,697</u>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	10,324,098	650,371			10,974,469
Special education instruction	2,233,785				2,233,785
Other special instruction	302,307				302,307
Vocational education					-
Other instruction	748,130				748,130
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					
Tuition	2,412,685				2,412,685
Student & instruction related services	3,282,784	154,560			3,437,344
School administrative services	1,156,257				1,156,257
Other administrative services	577,445				577,445
Plant operations and maintenance	3,366,796				3,366,796
Pupil transportation	1,226,461				1,226,461
Business and other support services	374,889				374,889
Unallocated benefits	7,262,985				7,262,985
Special schools	59,203				59,203
Transfer to charter school					-
Debt service:					
Principal				685,000	685,000
Interest and other charges				418,025	418,025
Capital outlay	1,798,179	103,810	462,502		2,364,491
Total expenditures	<u>35,126,004</u>	<u>908,741</u>	<u>462,502</u>	<u>1,103,025</u>	<u>37,600,272</u>
Excess (Deficiency) of revenues over expenditures	<u>(308,198)</u>	<u>-</u>	<u>(325,377)</u>	<u>(10,000)</u>	<u>(643,575)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)	1,250,000				1,250,000
Transfers in					-
Transfers out					-
Total other financing sources and uses	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
Net change in fund balances	941,802	-	(325,377)	(10,000)	606,425
Fund balance—July 1	3,116,218		484,938	10,000	3,611,156
Fund balance—June 30	<u>\$ 4,058,020</u>	<u>\$ -</u>	<u>\$ 159,561</u>	<u>\$ -</u>	<u>\$ 4,217,581</u>

**Springfield Board of Education  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2011**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		\$ 606,425
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	(273,018)
	Capital outlays	2,308,603
		2,035,585
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		685,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		-
Accrued interest received on bond issuance		-
Capital lease proceeds		(1,250,000)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		
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 due. The accrued interest is a deduction in the reconciliation.		
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned 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 amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Current year accrued interest or long-term debt which was paid in the subsequent year	(198,738)	
Prior year accrued interest on long term debt which was paid in the current year	209,013	
Compensated absences payable	(52,924)	
Capital leases payments	199,799	157,150
		157,150
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)		
<b>Change in net assets of governmental activities</b>		<b>\$ 2,234,160</b>

***PROPRIETARY FUNDS***

Springfield Board of Education  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 48,283	355,635	\$ 403,918
Investments			-
Accounts receivable	34,772	3,607	38,379
Other receivables			-
Inventories	9,022		9,022
Total current assets	92,077	359,242	451,319
Noncurrent assets:			
Furniture, machinery & equipment	109,737		109,737
Less accumulated depreciation	(109,737)		(109,737)
Total noncurrent assets	-	0	-
Total assets	92,077	359,242	451,319
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	52,733		52,733
Deposits payable			-
Compensated absences			-
Total current liabilities	52,733	0	52,733
Noncurrent Liabilities:			
Compensated absences			-
Total noncurrent liabilities	-	0	-
Total liabilities	52,733	0	52,733
<b>NET ASSETS</b>			
Invested in capital assets net of related debt			-
Restricted for:			
Capital projects			
Unrestricted	39,344	359,242	398,586
Total net assets	\$ 39,344	359,242	\$ 398,586

## Exhibit B-5

**Springfield Board of Education**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	Business-type Activities - Enterprise Fund		
	Food Service	Before/After Care Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 475,790	\$ 414,544	\$ 890,334
Daily sales - non-reimbursable programs			-
Special functions	33,988		33,988
Community service activities			-
Transportation fees from other LEA's within the state			-
Deductions from employees' salaries			-
Miscellaneous			-
Total operating revenues	<u>509,778</u>	<u>414,544</u>	<u>924,322</u>
Operating expenses:			
Cost of sales	249,174		249,174
Salaries	231,177	333,199	564,376
Employee benefits	32,672		32,672
Purchased property service			-
Other purchased professional services			-
Student meals		20,385	20,385
Cleaning, repair and maintenance services			-
Rentals			-
Insurance	12,202		12,202
General supplies	29,575	4,314	33,889
Miscellaneous expense	44,567		44,567
Depreciation	288		288
Food distribution program Expense	24,683		24,683
Total Operating Expenses	<u>624,338</u>	<u>357,898</u>	<u>982,236</u>
Operating income (loss)	<u>(114,560)</u>	<u>56,646</u>	<u>(57,914)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,092		5,092
Federal sources:			
National school lunch program	90,790		90,790
Special milk program			-
Food distribution program	24,683		24,683
Interest and investment revenue	1,702		1,702
Total nonoperating revenues (expenses)	<u>122,267</u>	<u>-</u>	<u>122,267</u>
Income (loss) before contributions & transfers	<u>7,707</u>	<u>56,646</u>	<u>64,353</u>
Capital contributions	-		-
Transfers in (out)			
Change in net assets	<u>7,707</u>	<u>56,646</u>	<u>64,353</u>
Total net assets—beginning	<u>31,637</u>	<u>302,596</u>	<u>334,233</u>
Total net assets—ending	<u>\$ 39,344</u>	<u>\$ 359,242</u>	<u>\$ 398,586</u>

**Springfield Board of Education**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Before/ After Care</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ (120,385)	\$ 59,577	\$ (60,808)
Payments to employees			-
Payments for employee benefits			-
Payments to suppliers			-
Net cash provided by (used for) operating activities	<u>(120,385)</u>	<u>59,577</u>	<u>(60,808)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	5,092		5,092
Federal Sources	90,790		90,790
Operating subsidies and transfers to other funds	-	-	-
Net cash provided by (used for) non-capital financing activities	<u>95,882</u>	<u>-</u>	<u>95,882</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Change in capital contributions			-
Purchases of capital assets			-
Gain/Loss on sale of fixed assets (proceeds)			-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,702		1,702
Proceeds from sale/maturities of investments	-		-
Net cash provided by (used for) investing activities	<u>1,702</u>		<u>1,702</u>
Net increase (decrease) in cash and cash equivalents	(22,801)	59,577	36,776
Balances—beginning of year	71,084	296,058	367,142
Balances—end of year	<u>\$ 48,283</u>	<u>\$ 355,635</u>	<u>\$ 403,918</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (114,560)	56,645	(57,915)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			-
Depreciation and net amortization	288		288
(Increase) decrease in accounts receivable, net	(20,308)	2,932	(17,376)
(Increase) decrease in inventories	(2,974)		(2,974)
(Increase) decrease in other current assets			-
Increase (decrease) in accounts payable	(7,514)		(7,514)
Increase (decrease) in accrued salaries benefits			-
Food Commodity Program	24,683		24,683
Total adjustments	<u>(5,825)</u>	<u>2,932</u>	<u>(2,893)</u>
Net cash provided by (used for) operating activities	<u>\$ (120,385)</u>	<u>\$ 59,577</u>	<u>\$ (60,808)</u>

*FIDUCIARY FUNDS*

## Exhibit B-7

**Springfield Board of Education**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**6/30/2011**

	<b>Unemployment Compensation Trust</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,918	\$ 880,135
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Total investments	-	-
Total assets	14,918	\$ 880,135
<b>LIABILITIES</b>		
Accounts payable		
Payable to student groups		232,618
Payroll deductions and withholdings		229,079
Payable to teachers		418,438
Total liabilities	-	\$ 880,135
<b>NET ASSETS</b>		
Held in trust for unemployment claims and other purposes	\$ 14,918	
Reserved for scholarships		

## Exhibit B-8

**Springfield Board of Education**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 113,161	
Other		
Total Contributions	<u>113,161</u>	<u>-</u>
Investment earnings:		
Net increase (decrease) in fair value of investments		
Interest	162	
Dividends		
Less investment expense		
Net investment earnings	<u>162</u>	<u>-</u>
Total additions	<u>113,323</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	115,779	
Unemployment claims		
Scholarships awarded		
Refunds of contributions		
Transfers		2,625
Total deductions	<u>115,779</u>	<u>2,625</u>
Change in net assets	<u>(2,456)</u>	<u>(2,625)</u>
Net assets—beginning of the year	<u>17,374</u>	<u>2,625</u>
Net assets—end of the year	<u>\$ 14,918</u>	<u>\$ -</u>

***NOTES TO THE FINANCIAL STATEMENTS***

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of The Township of Springfield School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) of the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (Statement No. 34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District is required to implement the new model this school year. In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2002

A. Reporting Entity:

The Township of Springfield School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools and a junior/senior high school located in the Township of Springfield School District. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

*District-wide Statements:* The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

*Fund Financial Statements:* During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts 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. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2011.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP  
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues"	\$ 34,674,326	916,720
Adjust for State Aid Payment:		
Add: Prior Year Payment	143,480	
Less: Current Year Payment		
Adjust for Encumbrances:		
Add Prior Year Encumbrances		85,651
Less Current Year Encumbrances		(93,630)
Total Revenues (GAAP Basis)	<u>\$ 34,817,806</u>	<u>\$ 908,741</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary) "total outflows"	\$ 35,126,004	916,720
Adjustments:		
Add Prior Year Encumbrances		85,651
Less Current Year Encumbrances		(93,630)
Total Expenditures (GAAP Basis)	<u>\$ 35,126,004</u>	<u>\$ 908,741</u>

E. Encumbrances:

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 reservations of 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.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

G. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011 there remained undisbursed accrued salaries in the amount of \$418,438.

J. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

**NOTE 2. RETROACTIVE REINSTATEMENT DUE TO CHANGE IN ACCOUNTING PRINCIPLE**

Change in Accounting Principle:

During fiscal year 2003 and as part of the implementation of GASB Statement 34, the School District researched capital assets to determine historical cost of its capital assets. This resulted in the following restatement of net assets as of June 30, 2002:

	<u>Governmental Activities</u>
Net Assets, June 30, 2002	\$ 4,716,652
Restatement of Capital Assets	<u>(149,156)</u>
Net Assets, June 30, 2002, as Restated	<u>\$ 4,567,496</u> =====

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2011, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$3,993,691
NJ Cash Management Account	\$ 15,806
	<u>\$4,009,497</u>
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board’s name.

Category 2 – Collateralized with securities held by the pledging public depository’s trust department or agent in the Board’s name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board’s name.

As of June 30, 2011, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings and New Jersey Cash Management Account. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	None
2	None
3	<u>\$4,009,497</u>
	\$4,009,497
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

**NOTE 4. CAPITAL ASSETS**

Fixed asset activity for the fiscal year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	4,436			4,436
Construction in progress	18,224,860	462,502		18,687,362
Total capital assets not being depreciated	<u>18,229,296</u>	<u>462,502</u>	-	<u>18,691,798</u>
<i>Capital assets being depreciated:</i>				
Site improvements	510,259			510,259
Building and building improvements	9,697,760	15,342		9,713,102
Machinery and equipment	9,723,071	1,830,759		11,553,830
Totals at historical cost	<u>19,931,090</u>	<u>1,846,101</u>	-	<u>21,777,191</u>
Less accumulated depreciation for :				
Building and improvements	8,154,306	113,608		8,267,914
Equipment	5,275,331	159,410		5,434,741
Total	<u>13,429,637</u>	<u>273,018</u>	-	<u>13,702,655</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>6,501,453</u>	<u>1,573,083</u>	-	<u>8,074,536</u>
Governmental activity capital assets, net	<u>\$ 24,730,749</u>	<u>\$ 2,035,585</u>	<u>\$ -</u>	<u>\$ 26,766,334</u>
<b>Business-type activities:</b>				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 109,737			\$ 109,737
Less accumulated depreciation	<u>109,449</u>	<u>288</u>		<u>\$ -</u>
Enterprise fund capital assets, net	<u>\$ 288</u>	<u>\$ (288)</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 4. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	\$ 210,113
Student and Instruction - Related Services	11,057
School Administrative Services	11,908
General and Business Administrative Services	4,253
Plant Operations and Maintenance	24,727
Pupil Transportation	5,954
Business and Other Support Services	5,006
Unallocated	-
Total	<u>\$ 273,018</u>

NOTE 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2010	Issued	Retired	Balance 6/30/2011	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,470,521	\$ 52,924		\$ 1,523,445	
Serial Bonds Payable	10,904,000		685,000	10,219,000	710,000
Capital Leases Payable	209,264	1,250,000	199,799	1,259,465	343,876
	<u>\$ 12,583,785</u>	<u>\$ 1,302,924</u>	<u>\$ 884,799</u>	<u>\$ 13,001,910</u>	<u>\$ 1,053,876</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable:

As of June 30, 2011, the Board had one bond issue outstanding:

**Serial Bonds issued for building renovations and addition of  
classroom and media center:**

<u>Year</u>	<u>Principal</u>	<u>Interst</u>	<u>Total</u>
2012	710,000	397,475	1,107,475
2013	735,000	376,175	1,111,175
2014	760,000	353,206	1,113,206
2015	785,000	322,806	1,107,806
2016	810,000	291,406	1,101,406
2017	835,000	259,006	1,094,006
2018	860,000	225,606	1,085,606
2019	885,000	191,206	1,076,206
2020	910,000	155,806	1,065,806
2021	935,000	119,406	1,054,406
2022	985,000	82,006	1,067,006
2023	<u>1,009,000</u>	<u>41,624</u>	<u>1,050,624</u>
Total	<u>10,219,000</u>	<u>2,815,728</u>	<u>13,034,728</u>

The Serial Bonds reported above were issued pursuant to Title 18A, Education of the New Jersey Statutes and by virtue of a bond proposal in the amount of \$18,918,888 approved by the affirmative vote of a majority of the legal voters present and voting at the School District election held on January 28, 2003 and by virtue of resolutions adopted by the Board on May 19, 2003.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable (Continued):

The proceeds of the bonds will be used to finance the following improvements in the school district:

- (1) Renovation, rehabilitation and construction of an addition to Edward V. Walton Elementary School;
- (2) Renovation, rehabilitation and construction of an addition to Thelma L. Sandmeier Elementary School;
- (3) Renovation and rehabilitation of James Caldwell Elementary School;
- (4) Renovation and rehabilitation of Florence M. Gaudineer Middle School; and
- (5) Renovation and rehabilitation of Jonathan Dayton High School.

The total project cost is \$18,918,888 and the Board anticipates receiving a grant from the State in the amount of \$3,918,980 pursuant to the Educational Facilities Construction and Financing Act (EFCFA).

As of June 30, 2011, the Board reported an accounts receivable in the amount of \$589,893 associated with this EFCFA grant.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

B. Capital Leases Payable:

The District is leasing several copiers and computer equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2011.

	<u>Total</u>
Year ending June 30,	
2012	\$ 358,735
2013	\$ 294,583
Thereafter	<u>\$ 563,520</u>
Total Minimum Lease Payments	1,216,838
Less: Amount Representing Interest	<u>(15,687)</u>
Net Minimum Lease Payments	<u><u>\$ 1,201,151</u></u>

NOTE 6. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 6. PENSION PLANS (Continued)

*Teachers' Pension and Annuity Fund (TPAF)*

The Teachers' Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirements, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 6. PENSION PLANS (Continued)

*Vesting and Benefit Provisions*

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

*Significant Legislation*

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 6. PENSION PLANS (Continued)

*Contribution Requirements*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$972,201 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District contributed \$1,079,420 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 7. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 7. POST-EMPLOYMENT BENEFITS (Continued)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

For the fiscal year ended June 30, 2011, the State of New Jersey contributed on behalf of the District \$972,201 to the TPAF for post-retirement benefits.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011 piv.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund		
Trust and Agency Fund		
	<u>          </u>	<u>          </u>
	<u>          </u> \$0	<u>          </u> \$0

These amounts represent temporary advances between the various funds.

NOTE 9. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2007-2008 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 9. CONTINGENCIES (Continued)

interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

NOTE 10. LITIGATION

The Board attorneys' report that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District except as noted below:

***Betsy Carey v. Springfield Board of Education (OAL Dkt. No. EDUOR-11994-2009N, Agency Ref. No. 222-9/09):*** Petitioner Betsey Carey ("petitioner") was a family and consumer science teacher in the District, who was dismissed in June 2007 as a result of a reduction in force. In September 2009, petitioner filed a two-count petition with the Commissioner of Education seeking reinstatement and back pay. Petitioner's First Count alleged that the Board intentionally misrepresented that it had changed its family and consumer science program to a vocational/technical culinary arts program and violated her tenure, seniority and recall rights when it hired a non-tenured individual to teach the program without first offering her the position. Under petitioner's Second Count, she alleged that the Board had hired a non-tenured teacher to teach business or computer courses in violation of her tenure, seniority and recall rights. The Board's defense was that it had no obligation to recall petitioner when the culinary arts teacher position became available because she was retired from teaching and was collecting a pension at the time. Most significantly, petitioner lacked the requisite qualifications to teach the new culinary arts program, which were much different from the prior family and consumer science program.

The Board refuted that it had violated petitioner's tenure, seniority or recall rights with respect to a business teacher position. Petitioner has never taught under a business education endorsement and therefore lacks seniority over the current teacher.

On April 27, 2010, the parties appeared before Jesse H. Strauss, A.L.J. for a full-day of hearing on the merits. In late July 2010, Judge Strauss issued his Initial Decision ruling that the Board had not violated petitioner's tenure, seniority, or recall rights. The A.L.J. agreed with the Board's arguments that petitioner lacked recall rights to any position with the Board because any recall rights she may have had, expired with her retirement from teaching in March 2008. He further concluded that, even if petitioner still had recall rights, she did not have recall rights to teach the courses in this new program. On

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 10. LITIGATION (Continued)

September 8, 2010, the Commissioner of Education adopted Judge Strauss' Initial Decision and dismissed petitioner's petition in its entirety.

***In Re the Complaint of the Springfield Board of Education (Council on Local Mandates, Docket No. 3-11)***: This matter arises out of the statutory mandate that local school districts that provide transportation for their students also provide transportation, or "aid-in-lieu" of transportation, for non-public school students residing within the district. In past years, the Board received, as part of its formula aid from the State, transportation aid to partially offset the cost of providing transportation or aid-in-lieu to these non-public school students. However, starting in school year 2010-2011, the state cut off all funding to the board to cover these costs, leaving the entire financial burden of the transportation mandate to be shouldered by the taxpayers.

In March, 2011 the Board filed a complaint with the New Jersey Council on Local Mandates (the "Council"), alleging that the statutory requirement that the Board provide transportation or aid-in-lieu of transportation to non-public school students residing within the District amounts to an unconstitutional unfunded mandate. By letter of April 8, 2011, the Council accepted the appeal for filing and directed the Attorney General to file a response on behalf of the State of New Jersey. After filing an answer, the Attorney General moved to dismiss the Board's complaint. The Board opposed the State's motion and cross-moved for a decision by the Council that the challenged statutes impose unconstitutional unfunded mandates, but also requested that a hearing be held.

On August 4, 2011, the Council heard oral argument on the cross-motions. It voted unanimously to deny the State's motion to dismiss the Board's complaint and proceed to a hearing. A hearing was conducted on October 18, 2011, and based on the arguments, the Council dismissed the District's case.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Springfield Board of Education for the accumulation of funds for use as capital outlay expenditures in future fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2011, the District had actual interest earnings of \$13,637. Also in 2011, the Board of Education voted upon and passed a resolution to contribute \$500,000 into the Capital Reserve Account. The increase in the Capital Reserve is reflected in the attached financial statements.

NOTE 12. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance is \$299,029 at June 30, 2011. The excess fund balance at June 30, 2010 was \$74,093, all of which was appropriated as Budgeted Fund Balance for the June 30, 2011 fiscal year. Pursuant to the provisions of Executive Order No. 14, \$0 of that amount was approved by the Commissioner of the Department of Education for withdrawal to address any budget shortfall in the general fund account group due to the 2010-11 withholding of state aid.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

NOTE 13. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Board offers several plan administrators for its employees to utilize.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2011**

NOTE 15. RISK MANAGEMENT

The Board has contracted with a commercial insurance company to provide coverage for various losses caused by the Board on its employees for losses sustained through other acts. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section (Exhibit J-20).

The Board also maintains surety bond coverage on key financial employees.

New Jersey Unemployment Compensation Insurance – 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 the balance in the Trust Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Ending Balance</u>
2010-2011	\$ 14,918
2009-2010	\$ 17,374
2008-2009	\$ 15,454

***REQUIRED SUPPLEMENTARY INFORMATION  
PART II***

***BUDGETARY COMPARISON SCHEDULES***

Springfield Board of Education  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 31,775,534	\$ -	\$ 31,775,534	\$ 31,775,534	\$ -
Tuition	79,460	-	79,460	53,960	(25,500)
Transportation Fees	15,000	-	15,000	11,684	(3,316)
Rental of Facilities	-	-	-	21,750	21,750
Interest on Investments	-	-	-	106,361	106,361
Interest on Investments - Capital Reserve	-	-	-	13,637	13,637
Miscellaneous	380,000	-	380,000	356,991	(23,009)
<b>Total - Local Sources</b>	<u>32,249,994</u>	<u>-</u>	<u>32,249,994</u>	<u>32,339,917</u>	<u>89,923</u>
State Sources:					
Transportation Aid	-	-	-	-	-
Special Education Aid	-	-	-	-	-
Bilingual Education	-	-	-	-	-
Extraordinary Aid - Prior Year	-	-	-	-	-
Extraordinary Aid	228,930	-	228,930	245,153	16,223
Security Aid	-	-	-	-	-
Non-Public Transportation	-	-	-	-	-
Other State Aid	-	-	-	25,651	25,651
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	972,201	972,201
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,079,420	1,079,420
<b>Total State Sources</b>	<u>228,930</u>	<u>-</u>	<u>228,930</u>	<u>2,322,425</u>	<u>2,093,495</u>
Federal Sources:					
Impact Aid	-	-	-	-	-
Medicaid Reimbursement	15,084	-	15,084	11,984	(3,100)
<b>Total - Federal Sources</b>	<u>15,084</u>	<u>-</u>	<u>15,084</u>	<u>11,984</u>	<u>(3,100)</u>
<b>Total Revenues</b>	<u>32,494,008</u>	<u>-</u>	<u>32,494,008</u>	<u>34,674,326</u>	<u>2,180,318</u>
<b>EXPENDITURES:</b>					
Current Expense:					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	843,431	(31,411)	812,020	805,365	6,655
Grades 1-5 - Salaries of Teachers	3,028,458	24,393	3,052,851	3,047,321	5,530
Grades 6-8 - Salaries of Teachers	2,423,163	(121,640)	2,301,523	2,293,039	8,484
Grades 9-12 - Salaries of Teachers	3,495,013	6,177	3,501,190	3,456,182	45,008
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	30,000	(3,087)	26,913	19,964	6,949
Purchased Professional-Educational Services	5,000	3,299	8,299	8,168	131
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	224,397	(66,817)	157,580	156,831	749
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	122,600	-	122,600	45,949	76,651
General Supplies	366,351	305,284	671,635	359,239	312,396
Textbooks	151,553	70,993	222,546	132,040	90,506
Other Objects	-	-	-	-	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>10,689,966</u>	<u>187,191</u>	<u>10,877,157</u>	<u>10,324,098</u>	<u>553,059</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive - Mild:</b>					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Cognitive - Mild</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cognitive - Moderate:</b>					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Cognitive - Moderate</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	508,738	12,534	521,272	520,167	1,105
Other Salaries for Instruction	591,744	75,211	666,955	666,955	-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	-	2,000	1,362	638
Textbooks		-			-
Other Objects		-			-
<b>Total Learning and/or Language Disabilities</b>	<u>1,102,482</u>	<u>87,745</u>	<u>1,190,227</u>	<u>1,188,484</u>	<u>1,743</u>
<b>Visual Impairments:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Visual Impairments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Auditory Impairments:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Auditory Impairments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Behavioral Disabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Multiple Disabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	915,368	(19,565)	895,803	891,194	4,609
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	6,000	-	6,000	5,607	393
Textbooks		-			-
Other Objects		-			-
<b>Total Resource Room/Resource Center</b>	<u>921,368</u>	<u>(19,565)</u>	<u>901,803</u>	<u>896,801</u>	<u>5,002</u>
<b>Autism:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Autism</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	69,586	(523)	69,063	69,061	2
Other Salaries for Instruction	39,551	15,429	54,980	46,998	7,982
Purchased Professional-Educational Services	38,200	-	38,200	31,942	6,258
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	725	-	725	499	226
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Preschool Disabilities - Part-Time</b>	<u>148,062</u>	<u>14,906</u>	<u>162,968</u>	<u>148,500</u>	<u>14,468</u>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Preschool Disabilities - Full-Time</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cognitive - Severe:</b>					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Cognitive - Severe</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>2,171,912</u>	<u>83,086</u>	<u>2,254,998</u>	<u>2,233,785</u>	<u>21,213</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	272,117	(109,110)	163,007	163,006	1
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	2,000	(500)	1,500	-	1,500
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>274,117</u>	<u>(109,610)</u>	<u>164,507</u>	<u>163,006</u>	<u>1,501</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	142,169	(1,407)	140,762	138,728	2,034
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	600	-	600	573	27
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Bilingual Education - Instruction</b>	<u>142,769</u>	<u>(1,407)</u>	<u>141,362</u>	<u>139,301</u>	<u>2,061</u>
<b>School-Spon. Athletics - Inst.</b>					
Salaries of Teachers	400,786	(43,769)	357,017	356,381	636
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	112,656	(23,855)	88,801	88,800	1
General Supplies	47,916	69,902	117,818	64,864	52,954
Textbooks	-	-	-	-	-
Other Objects	35,912	-	35,912	27,742	8,170
<b>Total School-Spon. Athletics - Inst.</b>	<u>597,270</u>	<u>2,278</u>	<u>599,548</u>	<u>537,787</u>	<u>61,761</u>

Springfield Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	155,026	-	155,026	145,722	9,304
Purchased Services (300-500 series)		-			-
Supplies and Materials	7,925	-	7,925	302	7,623
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>162,951</u>	<u>-</u>	<u>162,951</u>	<u>146,024</u>	<u>16,927</u>
<b>Other Instructional Programs - Community Service</b>					
Salaries	98,800	-	98,800	64,319	34,481
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
<b>Total Other Instructional Programs - Community Service</b>	<u>98,800</u>	<u>-</u>	<u>98,800</u>	<u>64,319</u>	<u>34,481</u>
<b>Total Instruction</b>	<u>14,137,785</u>	<u>161,538</u>	<u>14,299,323</u>	<u>13,608,320</u>	<u>691,003</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to CSSD & Regional Day Schools		-			-
Tuition to Private Schools for the Handicapped - Within State	909,666	186,544	1,096,210	1,093,225	2,985
Tuition to Private Schools for the Handicapped - Outside NJ		-			-
Tuition -County Voc School-Regular	330,000	36,000	366,000	366,000	-
Tuition -County Voc School-Special	62,400	40,500	102,900	102,900	-
Tuition - State Facilities		-			-
Tuition - Other		-			-
Tuition - Other Lea Within State-Special	884,838	(15,933)	868,905	850,560	18,345
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,186,904</u>	<u>247,111</u>	<u>2,434,015</u>	<u>2,412,685</u>	<u>21,330</u>
<b>Undistributed Expend. - Attendance Services</b>					
Salaries	-	31,246	31,246	31,246	-
<b>Total Undistributed Expend. - Attendance Services</b>	<u>-</u>	<u>31,246</u>	<u>31,246</u>	<u>31,246</u>	<u>-</u>
<b>Undistributed Expend. - Speech &amp; Social Work</b>					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Undistributed Expend. - Speech &amp; Social Work</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	390,183	7,388	397,571	395,970	1,601
Purchased Professional and Technical Services	386,364	(30,131)	356,233	312,506	43,727
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	11,898	(1,000)	10,898	8,846	2,052
Other Objects		-			-
<b>Total Undistributed Expenditures - Health Services</b>	<u>788,445</u>	<u>(23,743)</u>	<u>764,702</u>	<u>717,322</u>	<u>47,380</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>					
Salaries of Other Professional Staff	203,984	7,161	211,145	206,510	4,635
Purchased Professional - Educational Services		-			-
Supplies and Materials	1,900	-	1,900	1,628	272
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<u>205,884</u>	<u>7,161</u>	<u>213,045</u>	<u>208,138</u>	<u>4,907</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Reg.</b>					
Salaries of Other Professional Staff	654,929	(7,444)	647,485	647,457	28
Salaries of Secretarial and Clerical Assistants	73,397	-	73,397	72,668	729
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	5,799	3,755	9,554	8,864	690
Other Objects		-			-
<b>Total Undist. Expend. - Other Supp. Serv. Students-Reg.</b>	<u>734,125</u>	<u>(3,689)</u>	<u>730,436</u>	<u>728,989</u>	<u>1,447</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Special</b>					
Salaries of Other Professional Staff	531,116	27,314	558,430	558,430	-
Salaries of Secretarial and Clerical Assistants	85,421	1,162	86,583	86,582	1
Supplies and Materials	2,500	-	2,500	2,477	23
Other Objects	15,485	(2,700)	12,785	12,743	42
<b>Total Undist. Expend. - Other Supp. Serv. Students - Special</b>	<u>634,522</u>	<u>25,776</u>	<u>660,298</u>	<u>660,232</u>	<u>24</u>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	216,268	(68,538)	147,730	117,629	30,101
Salaries of Other Professional Staff		-			-
Salaries of Secr and Clerical Assist.	54,373	80	54,453	54,452	1
Other Salaries		-			-
Purchased Prof- Educational Services		-			-
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)	20,431	-	20,431	13,285	7,146
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<u>291,072</u>	<u>(68,458)</u>	<u>222,614</u>	<u>185,366</u>	<u>37,248</u>

**Springfield Board of Education  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	350,642	28,510	379,152	379,150	2
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	172,142	(35,466)	136,676	130,157	6,519
Other Objects	-	-	-	-	-
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<u>522,784</u>	<u>(6,956)</u>	<u>515,828</u>	<u>509,307</u>	<u>6,521</u>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction	174,255	(1,106)	173,149	173,147	2
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Serv	5,000	(5,000)	-	-	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	29,900	37,580	67,480	62,460	5,020
Supplies and Materials	11,000	(5,381)	5,619	5,277	342
Other Objects	6,000	(4,500)	1,500	1,300	200
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<u>226,155</u>	<u>21,593</u>	<u>247,748</u>	<u>242,184</u>	<u>5,564</u>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	244,274	3,089	247,363	247,239	124
Legal Services	114,500	59,665	174,165	99,227	74,938
Other Purchased Professional Services	31,320	(10,000)	21,320	17,611	3,709
Communications/Telephone	143,520	48,295	191,815	124,430	67,385
Other Purchased Services (400-500 series)	91,637	(34,450)	57,187	51,749	5,438
Other Purchased Prof. and Tech. Services	13,650	(6,450)	7,200	1,329	5,871
Rental	2,700	635	3,335	2,700	635
Travel	7,250	(2,600)	4,650	4,028	622
Supplies and Materials	28,884	(15,287)	13,597	13,078	519
General Supplies	-	-	-	-	-
Judgements Against The School Distric	-	-	-	-	-
Miscellaneous Expenditures	17,445	-	17,445	16,054	1,391
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<u>695,180</u>	<u>42,897</u>	<u>738,077</u>	<u>577,445</u>	<u>160,632</u>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	701,714	73,520	775,234	775,229	5
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	286,075	1,187	287,262	287,261	1
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	107,134	(2,855)	104,279	93,417	10,862
Rental	20,250	(20,250)	-	-	-
Miscellaneous Expenditures	2,605	(2,200)	405	350	55
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<u>1,117,778</u>	<u>49,402</u>	<u>1,167,180</u>	<u>1,156,257</u>	<u>10,923</u>
<b>Undist. Expend. - Central Services</b>					
Salaries	293,957	(2,115)	291,842	291,839	3
Other Purchased Services (400-500 series)	1,500	(889)	611	611	-
Supplies and Materials	7,000	1,681	8,681	8,312	369
Interest on Current Loans	-	-	-	-	-
Miscellaneous Expenditures	1,285	70	1,355	1,355	-
<b>Total Undist. Expend. - Central Services</b>	<u>303,742</u>	<u>(1,253)</u>	<u>302,489</u>	<u>302,117</u>	<u>372</u>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Salaries	72,636	136	72,772	72,772	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
<b>Total Undist. Expend. - Admin. Info. Tech.</b>	<u>72,636</u>	<u>136</u>	<u>72,772</u>	<u>72,772</u>	<u>-</u>
<b>Undist. Expend. - Required Maint.- School Facilities</b>					
Salaries	179,976	(26,598)	153,378	153,315	63
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Cleaning, Repair and Maintenance Services	213,000	543,224	756,224	353,665	402,559
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	68,680	114,902	183,582	140,635	42,947
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Undist. Expend. - Required Maint.- School Facilities</b>	<u>461,656</u>	<u>631,528</u>	<u>1,093,184</u>	<u>647,615</u>	<u>445,569</u>

**Springfield Board of Education  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>					
Salaries	1,230,824	43,398	1,274,222	1,271,915	2,307
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	32,844	(8,523)	24,321	21,878	2,443
Cleaning, Repair and Maintenance Services	144,266	123,625	267,891	250,046	17,845
Other Purchased Property Services	32,464	7,332	39,796	36,027	3,769
Insurance	106,083	-	106,083	106,083	-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	309,493	(59,478)	250,015	182,707	67,308
Energy (Energy and Electricity)	824,455	17,879	842,334	696,408	145,926
Other Objects	26,755	(18,000)	8,755	6,372	2,383
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>2,707,184</b>	<b>106,233</b>	<b>2,813,417</b>	<b>2,571,436</b>	<b>241,981</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	62,221	(14,007)	48,214	47,745	469
Purchased Professional and Technical Services	103,500	-	103,500	100,000	3,500
General Supplies	12,000	(12,000)	-	-	-
<b>Total Undist. Expend. - Custodial Services</b>	<b>177,721</b>	<b>(26,007)</b>	<b>151,714</b>	<b>147,745</b>	<b>3,969</b>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries - (Between Home and School) - Reg	268,913	48,182	317,095	317,094	1
Salaries - (Other than Bet. Home and School)	94,848	(45,389)	49,459	49,459	-
Cleaning, Repair and Maintenance Services	45,000	(12,027)	32,973	23,983	8,990
Contract Services - (Other than Bet. Home and School) - Vendors	37,005	(3,375)	33,630	17,151	16,479
Contract Services - (Between Home and School) - Joint		-			-
Contract Services - (Special Ed Stds) - Vendors		-			-
Contract Services - (Special Ed Stds) - Joint	179,102	148,371	327,473	327,472	1
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA	559,113	(93,825)	465,288	317,801	147,487
Aid in Lieu Of Pymts-NonPub Sch	162,240	-	162,240	125,970	36,270
Miscellaneous Purchase Services-Transportation	15,090	(7,100)	7,990	6,011	1,979
Supplies and Materials	45,240	488	45,728	39,385	6,343
Other Objects	2,715	-	2,715	2,135	580
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>1,409,266</b>	<b>35,325</b>	<b>1,444,591</b>	<b>1,226,461</b>	<b>218,130</b>
<b>Undist. Expend. - Business and Other Support Serv.</b>					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Insurance		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
<b>Total Undist. Expend. - Business and Other Support Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>UNALLOCATED BENEFITS</b>					
Group Insurance		-			-
Social Security Contributions	527,702	(103,988)	423,714	421,581	2,133
T.P.A.F. Contributions - ERIP	348,541	90,460	439,001	438,836	165
Other Retirement Contributions - Regular		-			-
Interest for Lease Purchase		-			-
Unemployment Compensation	40,495	27,005	67,500	67,500	-
Workmen's Compensation	200,260	-	200,260	200,169	91
Health Benefits	4,230,025	(157,568)	4,072,457	4,072,156	301
Tuition Reimbursement		-			-
Other Employee Benefits	26,523	(15,300)	11,223	11,122	101
<b>TOTAL UNALLOCATED POST RETIRE. MED. CONTRIB.</b>	<b>5,373,546</b>	<b>(159,391)</b>	<b>5,214,155</b>	<b>5,211,364</b>	<b>2,791</b>
On-behalf TPAF Pension Contributions (non-budgeted)		-		972,201	(972,201)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		1,079,420	(1,079,420)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,051,621</b>	<b>(2,051,621)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>5,373,546</b>	<b>(159,391)</b>	<b>5,214,155</b>	<b>7,262,985</b>	<b>(2,048,830)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>17,908,600</b>	<b>908,911</b>	<b>18,817,511</b>	<b>19,660,302</b>	<b>(842,833)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>32,046,385</b>	<b>1,070,449</b>	<b>33,116,834</b>	<b>33,268,622</b>	<b>(151,788)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12	2,887	2	2,889	2,887	2
Home Instruction		-			-

**Springfield Board of Education  
Budgetary Comparison Schedule  
General Fund  
Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Special Education - Instruction:</b>					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction	350,800	16,600	367,400	367,394	6
Undistributed Expenditures - Child Study Teams	2,000	(2,000)	-		-
Undist. Expend.-Support Serv.-Students - Spl.		-			-
Undist. Expend.-Support Serv. - Related & Extra		-			-
Undistributed Expenditures - General Admin.	2,500	(2,500)	-		-
Undistributed Expenditures - School Admin.	50,719	115,724	166,443	127,976	38,467
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Required Maint for School Fac.	41,500	6,650	48,150	34,580	13,570
Undistributed Expenditures - Custodial Services		-			-
Undistributed Expenditures - Care and Upkeep of Grounds		-			-
Schools Buses - Regular	-	8,745	8,745	-	8,745
Special Schools (All Programs)		-			-
<b>Total Equipment</b>	<u>450,406</u>	<u>143,221</u>	<u>593,627</u>	<u>532,837</u>	<u>60,790</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services		-			-
Other Purchased Prof. Service	12,000	10,000	22,000	15,342	6,658
Lease Purchase Agreements		-			-
<b>Total Facilities Acquisition and Construction Services</b>	<u>12,000</u>	<u>10,000</u>	<u>22,000</u>	<u>15,342</u>	<u>6,658</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
Capital Leases		-		1,250,000	(1,250,000)
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>	<u>(1,250,000)</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>462,406</u>	<u>153,221</u>	<u>615,627</u>	<u>1,798,179</u>	<u>(1,182,552)</u>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers	56,710	2,600	59,310	56,706	2,604
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,600	-	2,600	2,497	103
Textbooks		-			-
Other Objects		-			-
<b>Total Summer School - Instruction</b>	<u>59,310</u>	<u>2,600</u>	<u>61,910</u>	<u>59,203</u>	<u>2,707</u>
<b>Summer School - Support Services</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Summer School - Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Summer School</b>	<u>59,310</u>	<u>2,600</u>	<u>61,910</u>	<u>59,203</u>	<u>2,707</u>
<b>Other Special Schools - Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Other Special Schools - Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Other Special Schools - Support Services</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Other Special Schools - Support Services</b>	-	-	-	-	-
<b>Total Other Special Schools</b>	-	-	-	-	-
<b>Accred. Even./Adult H.S./Post-Grad.-Inst.</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Accred. Even./Adult H.S./Post-Grad.-Inst.</b>	-	-	-	-	-
<b>Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>	-	-	-	-	-
<b>Total Accred. Even./Adult H.S./Post-Grad.</b>	-	-	-	-	-
<b>Adult Education-Local-Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Adult Education-Local-Instruction</b>	-	-	-	-	-
<b>Adult Education-Local -Support Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Adult Education-Local -Support Serv.</b>	-	-	-	-	-
<b>Total Adult Education-Local</b>	-	-	-	-	-
<b>Vocational Evening-Local-Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Vocational Evening-Local-Instruction</b>	-	-	-	-	-
<b>Vocational Evening-Local-Support Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Vocational Evening-Local-Support Serv.</b>	-	-	-	-	-
<b>Total Vocational Evening-Local</b>	-	-	-	-	-

Springfield Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Even.-Sch.-Foreign-Born-Local-Inst.</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Even.-Sch.-Foreign-Born-Local-Inst.</b>	-	-	-	-	-
<b>Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>	-	-	-	-	-
<b>Total Even.-Sch.-Foreign-Born-Local</b>	-	-	-	-	-
<b>TOTAL SPECIAL SCHOOLS</b>	59,310	2,600	61,910	59,203	2,707
Transfer of Funds to Charter Schools					-
<b>TOTAL EXPENDITURES</b>	32,568,101	1,226,270	33,794,371	35,126,004	(1,331,633)
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(74,093)	(1,226,270)	(1,300,363)	(451,678)	848,685
<b>Other Financing Sources(Uses):</b>					
Operating Transfer In:		-			-
Transfer from Capital Projects		-			-
Operating Transfer Out:		-			-
Transfer to Special Revenue Fund		-			-
Capital Leases (non-budgeted)		-		1,250,000	(1,250,000)
<b>Total Other Financing Sources:</b>	-	-	-	1,250,000	(1,250,000)
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(74,093)	(1,226,270)	(1,300,363)	798,322	(401,315)
<b>Fund Balance, July 1</b>		-		3,259,698	(3,259,698)
<b>Fund Balance, June 30</b>	\$ (74,093)	\$ (1,226,270)	\$ (1,300,363)	\$ 4,058,020	\$ (3,661,013)
<b>Recapitulation:</b>					
Reserve for encumbrances				\$ 1,283,740	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				216,968	
Maintenance Reserve				-	
Budgeted Fund Balance				-	
Reserve for Excess Surplus				299,029	
Capital Reserve				1,604,642	
Unrestricted Fund Balance				653,641	
				4,058,020	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				\$ 4,058,020	

**Springfield Board of Education**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	16,988	\$ 16,988	\$ 16,988	\$ -
State Sources	120,321	(8,404)	111,917	109,706	(2,211)
Federal Sources	636,609	155,966	792,575	790,026	(2,549)
<b>Total Revenues</b>	<b>756,930</b>	<b>164,550</b>	<b>921,480</b>	<b>916,720</b>	<b>(4,760)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	68,743	78,301	147,044	147,044	-
Other Salaries for Instruction	-	-	-	-	-
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Services	97,702	(17,014)	80,688	80,688	-
Purchased Professional and Technical Services	537,833	(290,299)	247,534	247,534	-
Supplies and Materials	-	51,116	51,116	51,116	-
Other Purchased Services (400-500 series)	-	151,000	151,000	151,000	-
General Supplies	-	26,703	26,703	26,703	-
Textbooks	10,348	(174)	10,174	10,153	21
Tuition	-	-	-	-	-
<b>Total Instruction</b>	<b>714,626</b>	<b>(367)</b>	<b>714,259</b>	<b>714,238</b>	<b>21</b>
<b>Support Services</b>					
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	-	54,183	54,183	50,287	3,896
Purchased Professional Services	42,304	43,947	86,251	85,408	843
Other Purchased Professional Services	-	18,865	18,865	18,865	-
Purchased Technical Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services Transportation	-	-	-	-	-
Tuition	-	-	-	-	-
Travel	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Support Services</b>	<b>42,304</b>	<b>116,995</b>	<b>159,299</b>	<b>154,560</b>	<b>4,739</b>

Springfield Board of Education  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONTD.)</b>					
<b>Facilities Acquisition and Construction Services:</b>					
Buildings	-	-	-	-	-
Instructional Equipment	-	47,922	47,922	47,922	-
Noninstructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	-	47,922	47,922	47,922	-
Transfer to Charter School	-	-	-	-	-
Total Expenditures	756,930	164,550	921,480	916,720	4,760
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Total Outflows</b>	756,930	164,550	921,480	916,720	4,760
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION***

**Springfield Board of Education  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2011**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

		General Fund		Special Revenue Fund
		<u>          </u>		<u>          </u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 34,674,326	[C-2]	\$ 916,720
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Prior year				85,651
Current year				(93,630)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		-		
Prior year state aid payment recognized for GAAP purposes in current year		143,480		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 <u>\$ 34,817,806</u>	 [B-2]	 <u>\$ 908,741</u>
 <b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	35,126,004	[C-2]	916,720
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
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 <i>financial reporting</i> purposes:				
Prior year				85,651
Current year				(93,630)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 <u>\$ 35,126,004</u>	 [B-2]	 <u>\$ 908,741</u>

***OTHER SUPPLEMENTARY INFORMATION***

***SPECIAL REVENUE FUND  
DETAIL STATEMENTS***

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Township of Springfield  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

Total Brought Forward (Ex. E-1a)	I.D.E.A. Part B		ARRA - I.D.E.A.		IACE Grant	Rebel Grant	Total 2011
	Muni Alliance	Basic 2010-2011	Preschool 2010-2011	Basic 2010-2011			
\$ -	\$ 16,738					\$ 250	\$ 16,988
109,706		417,477	16,551	243,353			109,706
97,056							790,026
<b>206,762</b>	<b>16,738</b>	<b>417,477</b>	<b>16,551</b>	<b>243,353</b>	<b>-</b>	<b>250</b>	<b>916,720</b>
<b>REVENUES</b>							
Local Sources							
State Sources							
Federal Sources							
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers		121,194				250	147,044
Other Salaries for Instruction							
Purchased Professional - Educational Services							80,688
Purchased Professional and Technical Services		230,983	16,551				247,534
Other Purchased Services (400-500 series)		151,000					151,000
Tuition							
General Supplies	2,471	7,494					26,703
Textbooks	10,153						10,153
Other Objects							
Supplies and Materials	23,417	27,699					51,116
<b>Total instruction</b>	<b>142,329</b>	<b>389,477</b>	<b>16,551</b>	<b>148,893</b>	<b>-</b>	<b>250</b>	<b>714,238</b>
<b>Support services:</b>							
Salaries of Other Professional Staff							
Other Salaries				46,538			
Personal Services - Employee Benefits	3,749						50,287
Purchased Professional Services	41,819	28,000			15,589		85,408
Other Purchased Professional Services	18,865						18,865
Purchased Technical Services							
Rentals							
Travel							
Other Purchased Services (400-500 series)							
Supplies & Materials		28,000		46,538			15,589
<b>Total support services</b>	<b>64,433</b>	<b>-</b>	<b>-</b>	<b>46,538</b>	<b>-</b>	<b>-</b>	<b>154,560</b>

Township of Springfield  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1a)	I.D.E.A. Part B		ARRA - I.D.E.A.		IACE Grant	Rebel Grant	Total 2011
		Muni Alliance	Basic 2010-2011	Preschool 2010-2011	Basic 2010-2011			
<b>EXPENDITURES (CONT'D):</b>								
<b>Facilities acquisition and const. serv.:</b>								
Buildings	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	47,922	-	-	-	47,922
Noninstructional Equipment	-	-	-	-	-	-	-	-
<b>Total facilities acquisition and const. serv.</b>	-	-	-	47,922	-	-	-	47,922
Transfer to Charter Schools	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	206,762	16,738	417,477	16,551	243,353	15,589	250	916,720
<b>Other Financing Sources (Uses)</b>								
Transfer in from General Fund	-	-	-	-	-	-	-	-
Contribution to Whole School Reform	-	-	-	-	-	-	-	-
<b>Total Outflows</b>	206,762	16,738	417,477	16,551	243,353	15,589	250	916,720
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Township of Springfield  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Ex. E-1b)	Title I Part A (Carryover)	Title II Part A (Carryover)	Title II Part D (Carryover)	Title IV Safe Part A	Title III Part A (Carryover)	Title III Part A	Title III Part A	Total Carried Forward
<b>REVENUES</b>									
Local Sources	\$ 109,706								\$ 109,706
State Sources	-	38,030	949	34,142	34		2,392	21,509	97,056
Federal Sources	-								-
<b>Total Revenues</b>	<b>109,706</b>	<b>38,030</b>	<b>949</b>	<b>34,142</b>	<b>34</b>	<b>-</b>	<b>2,392</b>	<b>21,509</b>	<b>206,762</b>
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of Teachers	-	21,600						4,000	25,600
Other Salaries for Instruction	80,688								80,688
Purchased Professional - Educational Services	-								-
Purchased Professional and Technical Services	-								-
Other Purchased Services (400-500 series)	-	2,471							2,471
General Supplies	10,153								10,153
Textbooks	-								-
Other Objects	-		949	3,119	34		2,392	16,923	23,417
Supplies and Materials	-								-
<b>Total instruction</b>	<b>90,841</b>	<b>24,071</b>	<b>949</b>	<b>3,119</b>	<b>34</b>	<b>-</b>	<b>2,392</b>	<b>20,923</b>	<b>142,329</b>
<b>Support services:</b>									
Salaries of Other Professional Staff	-								-
Other Salaries	-	3,163						586	3,749
Personal Services - Employee Benefits	-	10,796		31,023					41,819
Purchased Professional Services	18,865								18,865
Other Purchased Professional Services	-								-
Purchased Technical Services	-								-
Rentals	-								-
Travel	-								-
Other Purchased Services (400-500 series)	-								-
Supplies & Materials	-								-
<b>Total support services</b>	<b>18,865</b>	<b>-</b>	<b>13,959</b>	<b>31,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>586</b>	<b>64,433</b>

Township of Springfield  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2011

Total Brought Forward (Ex. E-1b)	Title I Part A (Carryover)		Title II Part A (Carryover)		Title II Part D (Carryover)		Title II Part A (Carryover)		Title II Part D (Carryover)		Title III Part A (Carryover)		Title III Part A		Total Carried Forward
	Title I Part A	Title I Part A	Title II Part A	Title II Part A	Title II Part D	Title II Part D	Title II Part A	Title II Part A	Title II Part D	Title II Part D	Title III Part A	Title III Part A	Title III Part A	Title III Part A	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,706	-	38,030	949	34,142	34	34	-	-	-	2,392	21,509	-	-	206,762	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,706	-	38,030	949	34,142	34	34	-	-	-	2,392	21,509	-	-	206,762	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EXPENDITURES (CONT'D):**  
**Facilities acquisition and const. serv.:**  
 Buildings  
 Instructional Equipment  
 Noninstructional Equipment  
**Total facilities acquisition and const. serv.**  
 Transfer to Charter Schools  
**Total Expenditures**  
**Other Financing Sources**  
 Transfer in from General Fund  
 Contribution to Whole School Reform  
**Total Outflows**  
**Excess (Deficiency) of Revenues Over (Under) Expenditures**

Township of Springfield School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)  
For the Fiscal Year Ended June 30, 2011

	N.J. Nonpublic Nursing Service	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Auxiliary Services Ch. 192		English as a Second Language	N.J. Nonpublic Handicapped Services Ch. 193		Total Carried Forward	
			Transportation	Compensatory Education		Supplemental Instruction	Examination & Classification Speech		
REVENUES									
State Sources	\$ 12,013	\$ 10,153	\$ 6,852	\$ 48,981	\$ 1,708	\$ 10,422	\$ 9,734	\$ 9,843	\$ 109,706
<b>Total Revenues</b>	<b>12,013</b>	<b>10,153</b>	<b>6,852</b>	<b>48,981</b>	<b>1,708</b>	<b>10,422</b>	<b>9,734</b>	<b>9,843</b>	<b>109,706</b>
EXPENDITURES									
Instruction:									
Purchased Professional - Educational Services				48,981	1,708	10,422	9,734	9,843	80,688
Textbooks		10,153							10,153
<b>Total instruction</b>	<b>-</b>	<b>10,153</b>	<b>-</b>	<b>48,981</b>	<b>1,708</b>	<b>10,422</b>	<b>9,734</b>	<b>9,843</b>	<b>90,841</b>
Support Services:									
Other Purchased Professional Services	12,013		6,852						18,865
<b>Total Support Services</b>	<b>12,013</b>	<b>-</b>	<b>6,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,865</b>
<b>Total Expenditures</b>	<b>12,013</b>	<b>10,153</b>	<b>6,852</b>	<b>48,981</b>	<b>1,708</b>	<b>10,422</b>	<b>9,734</b>	<b>9,843</b>	<b>109,706</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

***CAPITAL PROJECTS FUND  
DETAIL STATEMENTS***

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

***PROPRIETARY FUNDS  
DETAIL STATEMENTS***

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.**

Springfield Board of Education  
 Capital Projects Fund  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2011

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2011
			Prior Years	Current Year	
Renovations to Five Existing School Buildings Plus The Addition of Classroom/Media Center	1/28/2003	\$ 18,917,980	18,224,860	-	-
Regular Operating District (ROD) Grant	1/11/2010	4,037,663	12,231	462,502	3,562,930
		\$ 22,955,643	\$ 18,237,091	\$ 462,502	\$ 3,562,930

***FIDUCIARY FUNDS  
DETAIL STATEMENTS***

Fiduciary Funds are used to account for funds received by the school district for a specific purpose. Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 COUNTY OF UNION  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Agency			Trust		Totals
	Student Activities	Payroll	Total Agency	Unemployment Compensation	Total Trust	
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 232,618	\$ 647,517	\$ 880,135	\$ 14,918	\$ 14,918	\$ 895,053
Total Assets	\$ 232,618	\$ 647,517	\$ 880,135	\$ 14,918	\$ 14,918	\$ 895,053
<b>LIABILITIES:</b>						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable - General Fund						
Accrued Salaries and Wages		418,438	418,438			418,438
Payroll Deductions and Withholdings		229,079	229,079			229,079
Due to Student Groups	232,618		232,618			232,618
Total Liabilities	\$ 232,618	\$ 647,517	\$ 880,135	\$ -	\$ -	\$ 880,135
<b>NET ASSETS:</b>						
Reserved for Unemployment Claims	\$ -	\$ -	\$ -	\$ 14,918	\$ 14,918	\$ 14,918
Reserved for Flexible Spending Claims	-	-	-	-	-	-
Total Net Assets	\$ -	\$ -	\$ -	\$ 14,918	\$ 14,918	\$ 14,918

## Exhibit H-3

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
COUNTY OF UNION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

<u>Schools</u>	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
Early childhood center: Edward V. Walton	\$ 12,909	\$ 7,842	5,159	\$ 15,592
Elementary Schools: James Caldwell Thelma L. Sandmeier	\$ 11,429 7,179	\$ 8,816 6,192	17,023 5,796	\$ 3,222 7,575
Middle School: Florence M. Gaudineer	\$ 60,525	\$ 100,944	80,659	\$ 80,810
High schools: Jonathan Dayton Athletic Activities	\$ 107,659 <u>14,263</u>	\$ 232,722 <u>37,543</u>	221,782 <u>44,986</u>	\$ 118,599 <u>6,820</u>
	\$ <u>213,964</u>	\$ <u>394,059</u>	\$ <u>375,405</u>	\$ <u>232,618</u>

Exhibit H-4

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
COUNTY OF UNION  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ <u>381,205</u>	\$ <u>23,052,971</u>	<u>22,786,659</u>	\$ <u>647,517</u>
Total assets	\$ <u><u>381,205</u></u>	\$ <u><u>23,052,971</u></u>	<u><u>22,786,659</u></u>	\$ <u><u>647,517</u></u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 1,702	\$ 22,351,154	\$ 22,123,777	\$ 229,079
Accrued salaries and wages	<u>379,503</u>	<u>701,817</u>	<u>662,882</u>	<u>418,438</u>
Total liabilities	\$ <u><u>381,205</u></u>	\$ <u><u>23,052,971</u></u>	\$ <u><u>22,786,659</u></u>	\$ <u><u>647,517</u></u>

## ***LONG-TERM DEBT SCHEDULES***

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, mortgages payable, term loans and obligations under capital leases.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
STATEMENT OF SERIAL BONDS AND LOANS  
June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2011		Interest Rate	Balance 07/01/2010	Issued	Retired	Balance June 30, 2011
			Date	Amount					
Serial Bonds issued for building renovations and addition of classroom and media center	6/30/2003	14,999,000	6/15/2012	710,000	3.00% to 4.25%	10,904,000		685,000	10,219,000
			6/15/2013	735,000					
			6/15/2014	760,000					
			6/15/2015	785,000					
			6/15/2016	810,000					
			6/15/2017	835,000					
			6/15/2018	860,000					
			6/15/2019	885,000					
			6/15/2020	910,000					
			6/15/2021	935,000					
		6/15/2022	985,000						
		6/15/2023	1,009,000						

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 COUNTY OF UNION  
 GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES  
 June 30, 2011

Series	Amount of Original Issue	Amount Outstanding July 1, 2010	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2011
Photocopier (Xerox #CC90)-Walton	12,726	1,484		1,484	0
Photocopier (Xerox #WCP90)	25,765	2,949		2,949	0
Photocopier (Xerox #4110C)	37,629	6,029		6,029	0
Photocopier (Xerox #CC90)-FMG	26,880	2,678		2,678	0
Photocopier (Xerox #CC255H)	15,792	1,582		1,582	0
Photocopiers (Savin #9025 Digital)	14,686	10,744		2,924	7,820
Photocopiers (Xerox #FMV)	216,702	150,126		42,356	107,770
Apple Computers (#A70259)	50,508	33,672		16,836	16,836
Apple Computers (#7400156)	1,250,000	0	1,250,000	122,961	1,127,039
		\$ 209,264	\$ 1,250,000	\$ 199,799	\$ 1,259,465

**Township of Springfield School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,093,025	-	\$ 1,093,025	\$ 1,093,025	\$ -
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>1,093,025</b>	<b>-</b>	<b>1,093,025</b>	<b>1,093,025</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	418,025	-	418,025	418,025	-
Redemption of Principal	685,000	-	685,000	685,000	-
Total Regular Debt Service	1,103,025	-	1,103,025	1,103,025	-
<b>Total expenditures</b>	<b>1,103,025</b>	<b>-</b>	<b>1,103,025</b>	<b>1,103,025</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	-	(10,000)	(10,000)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(10,000)	-	(10,000)	(10,000)	-
Fund Balance, July 1	10,000	-	10,000	10,000	-
Fund Balance, June 30	-	-	-	-	-
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ (10,000)</b>	<b>\$ -</b>
Budgeted Fund Balance	-	-	-	-	-

***STATISTICAL SECTION***

*INTRODUCTION TO THE STATISTICAL SECTION*

**Springfield Board of Education  
Introduction to the Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>82-88</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>89-92</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>93-96</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>97-98</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>99-103</b>

***FINANCIAL TRENDS***

## Exhibit J-1

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Net Assets by Component,**  
**For the Year Ended June 30, 2011**  
*(accrual basis of accounting)*

	2011
Governmental activities	
Invested in capital assets, net of related debt	\$ 15,287,869
Restricted	2,280,200
Unrestricted	215,198
Total governmental activities net assets	\$ 17,783,267
Business-type activities	
Invested in capital assets, net of related debt	
Restricted	
Unrestricted	398,586
Total business-type activities net assets	\$ 398,586
District-wide	
Invested in capital assets, net of related debt	\$ 15,287,869
Restricted	2,280,200
Unrestricted	613,784
Total district net assets	\$ 18,181,853

## Exhibit J-2

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Changes in Net Assets**  
**For the Year Ended June 30, 2011**  
*(accrual basis of accounting)*

	2011
<b>Expenses</b>	
Governmental activities	
Instruction	
Regular	\$ 14,282,597
Special education	4,451,321
Other special education	492,702
Vocational	
Other instruction	795,729
Nonpublic school programs	
Adult/continuing education programs	
Support Services:	
Tuition	2,412,685
Student & instruction related services	3,746,737
School Administrative services	1,496,572
General administration	700,443
Central Services	
Plant operations and maintenance	4,057,042
Administrative information technology	
Pupil transportation	1,393,058
Other support services	517,685
Special Schools	59,203
Charter Schools	
Interest on long-term debt	407,750
Compensated Absences	52,924
Total governmental activities expenses	34,866,448
Business-type activities:	
Food service	624,338
Child Care	357,898
Total business-type activities expense	982,236
Total district expenses	\$ 35,848,684
 <b>Program Revenues</b>	
Governmental activities:	
Charges for services:	
Instruction (tuition)	\$ 53,960
Plant operations and maintenance	21,750
Pupil transportation	11,684
Central and other support services	
Operating grants and contributions	2,960,363
Capital grants and contributions	137,125
Total governmental activities program revenues	3,184,882

## Exhibit J-2

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Changes in Net Assets**  
**For the Year Ended June 30, 2011**  
*(accrual basis of accounting)*

	2011
Business-type activities:	
Charges for services	
Food service	509,778
Child care	414,544
Operating grants and contributions	120,565
Capital grants and contributions	
Total business type activities program revenues	1,044,887
Total district program revenues	\$ 4,229,769
<b>Net (Expense)/Revenue</b>	
Governmental activities	\$ (31,681,566)
Business-type activities	62,651
Total district-wide net expense	\$ (31,618,915)
<b>General Revenues and Other Changes in Net Assets</b>	
Governmental activities:	
Property taxes levied for general purposes, net	\$ 31,775,534
Taxes levied for debt service	1,093,025
Unrestricted grants and contributions	426,267
Tuition Received	
Investment earnings	119,998
Miscellaneous income	301,103
Capital lease payments	199,799
Total governmental activities	33,915,726
Business-type activities:	
Investment earnings	1,702
Transfers	
Total business-type activities	1,702
Total district-wide	\$ 33,917,428
<b>Change in Net Assets</b>	
Governmental activities	\$ 2,234,160
Business-type activities	64,353
Total district	\$ 2,298,513

## Exhibit J-3

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**For the Year Ended June 30, 2011**  
*(modified accrual basis of accounting)*

	2011
General Fund	
Reserved	\$ 3,404,379
Unreserved	653,641
Total general fund	\$ 4,058,020
All Other Governmental Funds	
Reserved	
Unreserved, reported in:	
Special revenue fund	-
Capital projects fund	159,561
Debt service fund	-
Permanent fund	-
Total all other governmental funds	\$ 159,561

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Local Tax Levy	\$ 32,868,559	\$ 31,490,028	\$ 30,968,488	\$ 29,853,559	\$ 29,014,328	\$ 27,438,043	\$ 26,315,736	\$ 24,786,884	\$ 22,025,430	\$ 20,778,838
Other Local Revenue	581,371	560,278	627,481	725,910	673,791	747,430	419,760	631,500	586,460	583,697
State sources	2,575,611	3,632,502	3,781,473	4,673,680	4,670,431	3,529,053	3,522,683	3,279,137	2,687,021	2,257,171
Federal sources	794,031	709,825	554,328	496,069	590,649	504,688	470,622	408,165	360,878	316,843
Total revenue	36,819,572	36,392,633	35,931,770	35,749,118	34,949,199	32,219,214	30,728,601	29,103,686	25,659,789	23,937,129
<b>Expenditures</b>										
Instruction:										
Regular	10,324,098	10,391,075	10,281,019	9,874,452	9,886,713	10,184,941	9,642,802	9,122,390	8,994,558	8,578,404
Special	2,233,785	2,217,982	2,057,258	1,966,854	1,812,345	1,784,541	1,532,639	1,381,093	1,177,154	1,099,418
Other	302,307	416,421	312,669	325,464	300,925	225,365	334,012	383,709	319,064	252,428
School-Sponsored/Other Instructional	748,130	776,971	668,375	643,667	645,356	620,295	537,128	497,984	512,498	459,682
Total Instruction	13,608,320	13,802,449	13,319,321	12,810,437	12,645,339	12,815,142	12,046,581	11,385,176	11,003,274	10,389,932
Undistributed:										
Instruction	2,412,685	2,416,730	2,142,267	2,047,375	1,616,418	1,497,465	1,418,136	1,318,013	1,109,555	1,143,816
Support Services-Students	3,040,600	3,177,843	3,088,914	2,798,629	2,799,957	2,910,658	2,564,019	2,478,958	2,314,454	1,360,871
Support Services-Instructional Staff	242,184	240,179	274,733	272,111	236,842	204,985	140,766	157,566	193,032	786,436
General Administration	952,334	1,118,199	1,381,969	1,252,551	1,298,922	1,130,489	1,106,096	855,386	795,019	0
School Administration	1,156,257	1,215,743	1,133,045	1,089,642	1,077,257	1,127,162	1,128,165	1,096,397	975,674	0
Operations and Maintenance	3,366,796	3,735,964	3,195,926	3,249,126	2,798,923	2,992,546	2,438,200	2,148,553	2,057,539	1,865,341
Student Transportation	1,226,461	1,289,692	1,389,578	1,327,173	1,213,666	1,017,727	856,623	801,092	761,888	0
Business and Other Support Services:										
Employee Benefits	5,185,713	4,928,433	4,588,218	4,631,337	4,525,984	4,498,172	4,124,286	3,528,672	3,183,593	867,252
Other	987,852	827,906	878,127	1,997,596	1,929,332	992,340	781,933	704,146	497,728	0
Food Services										
On-behalf TPAF Pension Contributions										
Reimbursed TPAF Social Security Contributions	1,079,420	1,104,685	1,035,687	976,188	958,135	944,824	944,612	910,194	892,385	0
Total Undistributed	19,660,302	20,055,374	19,109,464	20,063,035	18,848,836	17,754,105	15,886,635	14,464,984	13,272,901	6,023,716
Capital Outlay:										
Equipment	532,837	176,955	914,523	462,010	663,857	361,441	420,397	313,524	260,642	0
Facilities Acquisition and Construction Services	15,342	228,086		46,758	160,548	747,597	82,773	64,475	86,302	0
Lease Purchase Agreements										
Assets Acquired Under Capital Leases	1,250,000	50,508	231,388	118,792	71,830	98,169	108,203	0	0	0
Total Capital Outlay	1,788,179	455,549	1,145,911	508,768	896,235	1,325,999	697,467	477,268	194,070	0
Special Schools	59,203	48,549	43,379	48,115	66,424	51,491	50,480	56,750	59,058	0
Total General Fund Expenditures	35,126,004	34,361,921	33,618,075	33,430,355	32,456,834	31,946,737	28,681,163	26,384,178	24,876,247	16,413,648
Special Revenue:										
Federal	782,047	709,825	554,328	509,229	590,649	504,688	470,622	430,386	360,878	316,843
State	109,706	128,250	123,682	140,380	105,699	123,838	122,686	129,255	176,765	191,363
Other	16,988	7,559	111,446	16,545	31,057	32,398	23,585	26,997	22,231	15,125
Total Special Revenue Expenditures	908,741	845,634	789,456	686,154	727,405	660,924	616,893	586,638	559,874	523,331
Debt Service Expenditures	1,103,025	1,097,825	1,266,125	1,257,675	1,254,893	1,242,400	1,235,575	1,202,088	0	0
Total Governmental Fund Expenditures	37,137,770	36,305,380	35,673,656	35,354,184	34,439,132	33,850,061	30,533,631	28,172,904	25,436,121	16,936,979

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Excess (Deficiency) of revenues over (under) expenditures	(318,198)	87,253	258,114	394,954	510,067	(1,630,847)	195,170	930,782	223,668	7,000,150
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Capital leases (non-budgeted)	1,250,000	50,508	231,388	-	-	118,792	86,094	-	-	-
Proceeds from refunding										
Payments to escrow agent		684	383	848	-	60,538	209,790	-	-	-
Transfers in										
Transfers out										
Total other financing sources (uses)	1,250,000	51,192	231,771	848	-	179,330	295,884	-	-	-
Net change in fund balances	\$ 931,802	\$ 138,445	\$ 489,885	\$ 395,782	\$ 510,067	\$ (1,451,517)	\$ 491,054	\$ 930,782	\$ 223,668	\$ 7,000,150
Debt service as a percentage of noncapital expenditures	3.12%	3.06%	3.67%	3.61%	3.74%	3.82%	4.14%	4.34%	0.00%	0.00%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

NOT APPLICABLE

*REVENUE CAPACITY*

## Exhibit J-6

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED**

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2001	1,077,574,600	1,578,632,581	68.26%
2002	1,083,492,100	1,694,015,165	63.96%
2003	1,082,997,000	1,639,641,583	66.05%
2004	1,089,763,100	2,098,927,400	51.92%
2005	1,091,083,600	2,310,638,700	47.22%
2006	1,088,120,600	2,525,227,700	43.09%
2007	1,091,066,500	2,810,656,896	39.11%
2008	1,091,537,131	3,033,248,401	35.99%
2009	1,091,066,500	3,018,340,543	36.15%
2010	1,100,810,619	2,911,049,232	37.81%

Source: Abstract of Ratables, Union County Board of Taxation.

Exhibit J-7

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 PER \$100 OF ASSESSED VALUATION  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Assessment Year	Township of Springfield School District	Regional High School	Springfield Township	Open Spaces	Union County	Total
2001	1.93	-	1.09	0.12	0.63	3.66
2002	2.03	-	1.15	0.03	0.70	3.91
2003	2.29	-	1.27	0.03	0.74	4.33
2004	2.42	-	1.33	0.03	0.78	4.55
2005	2.52	-	1.45	0.03	0.84	4.83
2006	2.67	-	1.58	0.04	0.85	5.08
2007	2.74	-	1.60	0.04	0.86	5.24
2008	2.84	-	1.70	0.04	0.91	5.49
2009	2.85	-	1.78	0.04	0.95	5.62
2010	2.99	-	1.73	0.04	1.02	5.78

Source: Tax Collector.

## Exhibit J-8

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
SCHEDULE OF PRINCIPAL TAXPAYERS  
FOR YEAR ENDED DECEMBER 31, 2010**

<u>Taxpayer</u>	<u>Assessed Valuation 2010</u>	<u>As a % of District's Net Assessed Valuation</u>
Baltusrol Golf Club	\$ 22,620,800	2.05%
Short Hill Club Village, LLC	12,244,000	1.11%
Skyline Ridge Developers, LLC	9,855,000	0.90%
Toresco Automotive	9,780,300	0.89%
Segal Realty	9,120,000	0.83%
Springfield Gardens, LLC	8,568,000	0.78%
The Villas	6,600,000	0.60%
ARC Springfield LLC	6,351,700	0.58%
Park Place Co.	6,257,000	0.57%
Springfield Associates	6,237,400	0.57%
<b>Total</b>	<b>\$ 97,634,200</b>	<b>8.87%</b>

Source: Municipal Tax Collector

## Exhibit J-9

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2001	39,416,743	38,920,092	98.74%
2002	42,332,036	41,384,124	97.76%
2003	46,974,861	46,438,717	98.50%
2004	49,685,608	49,152,977	98.92%
2005	52,750,693	51,940,527	98.46%
2006	55,309,437	54,761,561	99.00%
2007	57,173,743	56,792,292	99.25%
2008	59,975,974	59,307,135	98.88%
2009	62,057,320	61,665,501	99.37%
2010	64,609,405	64,026,431	99.10%

Source: Township of Springfield Tax Collector.

*DEBT CAPACITY*

Exhibit J-10

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 Ratios of Outstanding Debt by Type  
 For the Year Ended June 30, 2011

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Capital Leases				
2011	\$ 10,219,000	\$ 1,259,465	\$ -	\$ 11,478,465	1.48%	\$ 725	

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Exhibit J-11

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2001	14,532	1,077,574,600	None	None	None
2002	14,753	1,083,492,100	15,899,000	1.47%	1,061
2003	14,990	1,082,997,000	15,259,000	1.41%	1,018
2004	14,429	1,089,763,100	14,584,000	1.34%	1,011
2005	14,738	1,091,083,600	13,879,000	1.27%	942
2006	14,717	1,088,120,600	13,139,000	1.21%	893
2007	14,735	1,091,066,500	12,369,000	1.13%	839
2008	14,829	1,091,537,131	11,564,000	1.06%	780
2009	15,200	1,091,066,500	10,904,000	1.00%	717
2010	15,817	1,100,810,619	10,219,000	0.93%	646

Source: Data regarding school district population was given by school district officials.

Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

## Exhibit J-12

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

Net Direct Debt of School District as of June 30, 2011		\$ 10,219,000
Net Overlapping Debt of School District:		
Township of Springfield (100%)	\$ 18,062,350	
County of Union - Township's share (9.63%)	<u>26,711,085</u>	
		<u>44,773,435</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2011		\$ <u><u>54,992,435</u></u>

Source: Township of Springfield Chief Financial Officer and Union County Treasurer's Office.

## Exhibit J-13

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED**

Equalized Valuation Basis		\$ 2,911,049,232
School borrowing margin (4% of \$2,911,049,232)	\$ 116,441,969	
Net bonded school debt as of June 30, 2011	<u>10,219,000</u>	
School borrow margin available	<u>\$ 106,222,969</u>	

Source: Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

## Exhibit J-14

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Union County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2001	2.60%	39,758	14,523
2002	3.70%	40,018	14,724
2003	3.70%	40,629	14,783
2004	2.90%	42,064	14,739
2005	1.60%	44,062	14,717
2006	1.70%	47,851	14,717
2007	1.50%	51,054	14,735
2008	5.80%	51,539	14,829
2009	3.50%	49,040	15,200
2010	3.50%	49,040 *	15,817

Source: Per Capita Income of County of Union from the U.S. Department of Commerce.  
School District Population from the U.S. Bureau of the Census, Population Division.

N/A: Not Available

\* It was assumed that 2010 was the same as 2009 since information was not available.



***OPERATING INFORMATION***

Exhibit J-16

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**For the Year Ended June 30, 2011**

<u>Function/Program</u>	<u>2011</u>
Instruction	
Regular	139
Special education	93
Other special education	8
Vocational	-
Other instruction	2
Nonpublic school programs	-
Adult/continuing education programs	-
Support Services:	
Student & instruction related services	13
General administration	4
School administrative services	14
Other administrative services	-
Central services	-
Administrative Information Technology	1
Plant operations and maintenance	29
Pupil transportation	7
Other support services	6
Special Schools	-
Food Service	-
Child Care	17
Total	<u><u>333</u></u>

**Source:** District Personnel Records

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
Operating Statistics,  
For the Year Ended June 30, 2011

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	2,185	\$ 32,741,103	\$ 14,984	-1.27%	207	20:1	21:1	23:1	2,184.9	2,074.3	1.68%	94.94%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Township of Springfield School District  
 School Building Information  
 Last Ten Fiscal Years

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Elementary/Middle Schools</b>										
Walton										
Square Feet	31,577.00	31,577.00	31,577.00	31,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00
Capacity (students)	432.00	432.00	432.00	432.00	590.65	590.65	590.65	590.65	590.65	590.65
Enrollment	262.00	267.00	270.00	288.00	578.00	566.00	556.00	543.00	629.00	659.00
Sandmeier										
Square Feet	33,072.00	33,072.00	33,072.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00
Capacity (students)	360.00	360.00	360.00	360.00	321.30	321.30	321.30	321.30	321.30	321.30
Enrollment	285.50	303.00	296.50	301.00	233.00	232.00	228.00	227.00	234.00	215.00
Caldwell										
Square Feet	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00
Capacity (students)	337.50	337.50	337.50	337.50	227.70	227.70	227.70	227.70	227.70	227.70
Enrollment	285.50	303.00	296.50	301.00	233.00	221.00	223.00	226.00	212.00	225.00
FMG										
Square Feet	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00
Capacity (students)	517.50	517.50	517.50	517.50	661.45	661.45	661.45	661.45	661.45	661.45
Enrollment	542.00	570.00	579.00	597.00	470.00	449.00	453.00	448.00	481.00	479.00
<b>High School</b>										
JDHS										
Square Feet	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00
Capacity (students)	630.00	630.00	630.00	630.00	655.35	655.35	655.35	655.35	655.35	655.35
Enrollment	477.00	463.00	524.00	552.50	535.50	553.00	550.00	575.00	589.00	608.00

Number of School at June 30, 2011

Elementary	3
Middle Sch	1
High Sch	1

**Source** District Facilities Office (LRFP)  
 October 15, Enrollment data

Exhibit J-19

**Township of Springfield School District**  
**General Fund**  
**Schedule Of Required Maintenance For School Facilities**  
**For the Year Ended June 30, 2011**

**UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES**

<u>*School Facilities</u>	<u>School Number</u>	<u>2011</u>
Jonathan Dayton High School	010	274,141
Edward V. Walton	050	130,944
Florence M. Gaudineer	060	121,198
James Caldwell	070	58,306
Thelma L. Sandmeir	090	63,026
 Total School Facilities		 <u><u>\$647,615</u></u>

\*School Facilities as Defined Under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
INSURANCE SCHEDULE  
June 30, 2011  
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy-Including Boiler and Machinery- Zurich Insurance:		
Commercial Property - Blanket Building and Contents	\$ 121,493,135	\$ 5,000
Comprehensive General Liability	1,000,000	
Comprehensive Automobile Liability	1,000,000	1,000
Errors and Omissions - NJSBAIG	10,000,000	
Umbrella Liability - Zurich Insurance: Umbrella Policy	10,000,000	
Environmental Site Liability - Chubb	1,000,000	10,000
Student and Athletic Insurance - NJSBAIG (Casastrohic Coverage)	5,000,000	
Employee Benefit Liability	1,000,000	
Workers Compensation	2,000,000	
Public Official Bonds-Selective Insurance:		
Treasurer of School Monies	245,000	
Board Secretary	105,000	

Source: District records.

***SINGLE AUDIT SECTION***

## CANNONE AND COMPANY, P.A.

*Certified Public Accountants*

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## MEMBER:

American Society of Certified Public Accountants  
 New Jersey Society of Certified Public Accountants

K-1

**REPORT ON COMPLIANCE AND 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**

The Honorable President and  
 Members of the Board of Education  
 Township of Springfield School District  
 County of Union  
 Springfield, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Township of Springfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Springfield School District Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Board of Education of the Township of Springfield School District in the separate *Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 30, 2011.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Springfield School District Board of Education's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of Springfield School District Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliability in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all the deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management of the Township of Springfield School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

November 30, 2011

**CANNONE AND COMPANY, P.A.***Certified Public Accountants*

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## MEMBER:

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 New Jersey Society of Certified Public Accountants

K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
 MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
 IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
 NEW JERSEY OMB CIRCULAR 04-04**

The Honorable President and  
 Members of the Board of Education  
 Township of Springfield School District  
 County of Union  
 Springfield, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Township of Springfield School District, in the County of Union, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. The Township of Springfield Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Township of Springfield Board of Education's management. Our responsibility is to express an opinion on the Township of Springfield Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could

have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Springfield Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Township of Springfield Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Township of Springfield School District, in the County of Union, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the fiscal year ended June 30, 2011.

#### Internal Control Over Compliance

The management of the Board of Education of the Township of Springfield School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Township of Springfield School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Township of Springfield School District Board of Education's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management of the Township of Springfield School District Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

November 30, 2011

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010 Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Deferred Revenue June 30, 2011	(Accounts Receivable) June 30, 2011	Due to Grantor at June 30, 2011
<b>U.S. Department of Agriculture</b>														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	7/1/10-6/30/11	\$ 24,683	\$	\$	\$	\$ 24,683	\$ (24,683)	\$	\$	\$	\$ (18,268)	\$
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	90,790				72,522	(90,790)					
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	76,873	(7,002)			7,002						
<b>Total U.S. Department of Agriculture</b>						0	0	104,207	(115,473)	0	0	0	(18,268)	0
<b>U.S. Department of Education</b>														
Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Title IV - Part A	84.000	IASA-5000-10	9/1/09-8/31/10	3,460	(1,560)			1,560	(34,142)				(34,142)	
NCLB Title II - Part A	84.000	IASA-5000-11	9/1/10-8/31/11	34,826					(948)				(949)	
NCLB Title II - Part A	84.000	IASA-5000-10	9/1/09-8/31/10	34,956	(20,951)			20,591	(21,509)				(21,509)	
NCLB Title III - Part A	84.000	IASA-5000-11	9/1/10-8/31/11	22,001					(2,392)			715	(3,107)	
NCLB Title III - Part A	84.000	IASA-5000-10	9/1/09-8/31/10	22,497	(18,722)			18,722						
NCLB Title III - Part A	84.000	IASA-5000-09	9/1/08-8/31/09	26,063	(10,798)			10,798						
NCLB Title II - Part D	84.000	IASA-5000-11	9/1/10-8/31/11	110					(34)				(34)	
NCLB Title II - Part D	84.000	IASA-5000-10	9/1/09-8/31/10	377	(343)			343						
NCLB Title II - Part D	84.000	IASA-5000-09	9/1/08-8/31/09	288	(29)			29						
NCLB Title I	84.000	IASA-5000-09	9/1/08-8/31/09	34,671	(7)			7	(38,030)				(38,030)	
NCLB Title I, Part A	84.010	IASA-5000-11	9/1/10-8/31/11	39,216										
NCLB Title I, Part A	84.010	IASA-5000-10	9/1/09-8/31/10	40,067	(37,079)			37,079						
NCLB Title III - Immigrant	84.000	IASA-5000-10	9/1/09-8/31/10	18,310	(6,667)			6,667	(417,477)			6	(176,890)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-11	9/1/10-8/31/11	417,483										
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-10	9/1/09-8/31/10	396,548	(100,933)			240,593						
I.D.E.A. Part B, Preschool	84.173	PS-5000-11	9/1/10-8/31/11	16,551	(5,297)			5,297	(16,551)				(802)	
I.D.E.A. Part B, Preschool	84.173	PS-5000-10	9/1/09-8/31/10	15,630	(120,983)			297,214	(243,353)				(67,305)	
ARRA - I.D.E.A. Basic	84.391	FT-5000-11	9/1/09-8/31/11	454,343					(15,589)				(16,432)	
ARRA - I.D.E.A. Preschool	84.392	PS-5000-11	9/1/09-8/31/11	16,432					(790,026)			2,549	(359,200)	
<b>Total U.S. Department of Education</b>						0	0	756,384	(905,499)	0	0	2,549	(377,468)	0
<b>Total Federal Financial Assistance</b>						0	0	860,591	(905,499)	0	0	2,549	(377,468)	0

See accompanying notes to schedules of financial assistance.

Exhibit K-4  
Schedule B

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2010		Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Deferred Revenue June 30, 2011	(Accounts Receivable) June 30, 2011	Due to Grantor at June 30, 2011	Memo	
				Deferred Revenue (Accounts Receivable)	Prior Year Accounts Payable/Receivable Canceled							Budgetary Accounts Receivable	Cumulative Total Expenditures
Slate Department of Education													
General Fund:													
Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	\$ 216,632	\$ (25,539)	\$	\$ 25,539	\$	\$	\$	\$	\$	\$	\$ 216,632
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	896,554	(105,745)		105,745							896,554
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	102,823	(12,196)		12,196							102,823
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	265,726	(265,726)		265,726	(245,153)		(245,153)			(245,153)	265,726
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	245,153			43,771	(928,430)						245,153
On Behalf of TPAF Pension Contributions	11-495-034-5095-006	7/1/10-6/30/11	43,771			928,430							
Reimbursed TPAF Post Retirement Medical Benefits	11-495-034-5095-001	7/1/10-6/30/11	928,430										
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	1,104,685	(53,709)		53,709							1,104,685
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	1,079,420			1,025,786	(1,079,420)		(53,634)			(53,634)	1,079,420
Total General Fund			\$ 4,623,915	\$ 0	\$ 0	\$ 2,460,902	\$ (2,296,774)	\$ 0	\$ (298,787)	\$ 0	\$ 0	\$ (298,787)	\$ 3,910,993
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	12,174		73	10,174	(10,153)	(73)			21		
Textbook Aid	11-100-034-5120-064	7/1/10-6/30/11	10,174								1,507		
Auxiliary Services:													
Compensatory Education	11-100-034-5120-067	7/1/10-6/30/11	50,488			50,488	(46,981)						
English as a Second Language	11-100-034-5120-067	7/1/10-6/30/11	1,708			1,708	(1,708)						
Transportation	11-100-034-5120-068	7/1/10-6/30/11	6,852			6,852	(6,852)						
Handicapped Services:													
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	12,743		1,593	10,422	(10,422)	(1,593)					
Supplemental Instruction	11-100-034-5120-066	7/1/10-6/30/11	10,422			10,422	(10,229)						
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	25,947		10,229	9,734	(8,734)						
Examination and Classification	11-100-034-5120-066	7/1/10-6/30/11	9,734		1,793	10,483	(9,843)	(1,793)			640		
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	8,967			12,056	(12,013)				43		
Corrective Speech	11-100-034-5120-066	7/1/10-6/30/11	10,483										
Nursing Services	11-100-034-5120-070	7/1/10-6/30/11	12,056										
Total Special Revenue Fund			\$ 13,688	\$ 0	\$ 13,688	\$ 111,917	\$ (109,705)	\$ (13,688)	\$ 0	\$ 0	\$ 2,211	\$ 0	\$ 0
Enterprise Fund:													
National School Lunch Program (State)	10-100-034-5120-122	7/1/09-6/30/10	7,051	(655)		655	(5,092)		(1,113)			(1,113)	7,051
National School Lunch Program (State)	11-100-034-5120-122	7/1/10-6/30/11	5,092			3,979							5,092
Total Enterprise Fund			\$ (655)	\$ 0	\$ 0	\$ 4,634	\$ (5,092)	\$ 0	\$ (1,113)	\$ 0	\$ 0	\$ (1,113)	\$ 12,143
Total State Financial Assistance			\$ (463,570)	\$ 13,688	\$ 0	\$ 2,577,453	\$ (2,411,572)	\$ (13,688)	\$ 0	\$ (299,900)	\$ 2,211	\$ (299,900)	\$ 3,923,136

See accompanying notes to schedules of financial assistance.

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
 JUNE 30, 2011

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. 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, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is \$143,480 and for the Special Revenue Fund is \$( 7,979 ). Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

General Fund	\$ 11,984	\$ 2,465,905	\$ 2,477,889
Special Revenue Fund	782,047	109,706	\$ 891,753
Capital Projects Fund		137,125	137,125
Food Service	<u>115,473</u>	<u>5,092</u>	<u>120,565</u>
Total Financial Assistance	<u>\$ 909,504</u>	<u>\$ 2,717,828</u>	<u>\$ 3,627,332</u>

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF UNION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Unqualified, dated  
November 30, 2011

Type of auditor's report issued:

Internal control over financial reporting:

1. Material weakness(es) identified?

\_\_\_\_\_ yes  no

2. Significant Deficiencies identified that are not  
considered to be material weaknesses?

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

Noncompliance material to general-purpose financial  
statements noted?

\_\_\_\_\_ yes  no

Federal Awards and State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified?

\_\_\_\_\_ yes  no

2. Significant Deficiencies identified that are not  
considered to be material weaknesses?

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

Unqualified, dated  
November 30, 2011

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

Any audit findings disclosed that are required to be reported  
in accordance with section .510(a) of Circular A-133?

\_\_\_\_\_ yes  no

Any audit findings disclosed that are required to be reported  
in accordance with NJOMB Circular Letter 04-04?

\_\_\_\_\_ yes  no

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF UNION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results (Continued)

Federal Awards and State Financial Assistance (Continued)

Dollar threshold used to distinguish between  
type A and type B programs: \_\_\_\_\_

Auditee qualified as low-risk auditee?

yes  no

Identification of major programs:

\_\_\_\_\_  
Name of State Program or Cluster

Federal Awards:

CFDA Number

84.391

\_\_\_\_\_  
ARRA-I.D.E.A. Basic

State Financial Assistance:

State Grant Number

11-495-034-5095-002

\_\_\_\_\_  
Reimbursed TPAF Social Security  
Contributions

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
COUNTY OF UNION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Section II - Schedule of Financial Statement Findings**

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF UNION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

No federal or state award findings or questioned costs were noted that are required to be reported in accordance with OMB Circular A-133 or NJ OMB 98-07.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF UNION  
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

Corrective action had been taken on all prior year findings.