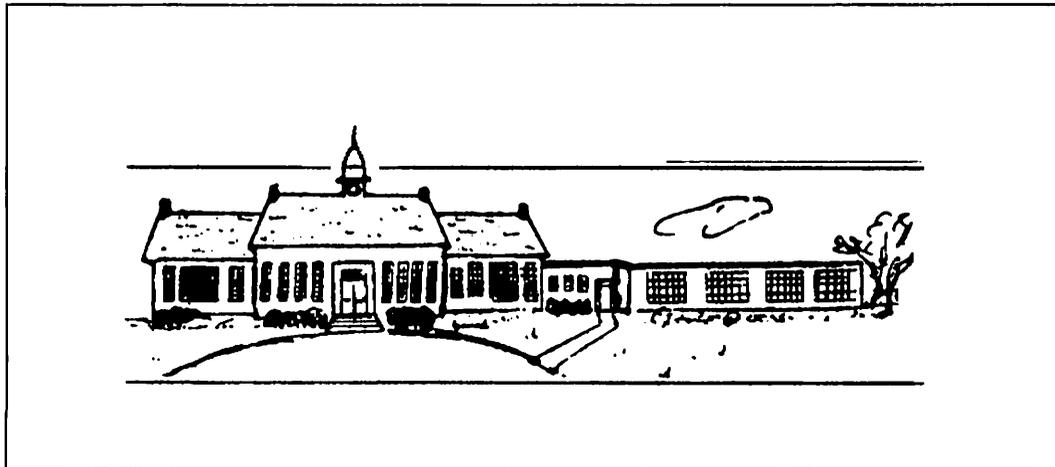


SCHOOL DISTRICT
OF
**SPRINGFIELD
TOWNSHIP**



Springfield Township Board of Education
Jobstown, New Jersey

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

**Comprehensive Annual
Financial Report**

of the

Springfield Township Board of Education

Jobstown, New Jersey

For the Fiscal Year Ended June 30, 2011

**Prepared by
Springfield Township Board of Education
Finance Department**

SPRINGFIELD SCHOOL DISTRICT

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Introductory Section

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

Jacksonville Road
Jobstown, New Jersey 08041

Mr. Joseph H. Miller
Interim Superintendent

Edward D. Kent
Interim School Business Administrator

October 7, 2011

Members of the Board of Education
Springfield Township Elementary School
2146 Jacksonville-Jobstown Road
Jobstown, New Jersey 08041

Dear Board Members:

The comprehensive annual financial report of the Springfield Township School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for 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 presented 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 organizational chart and a list of principal officials, the financial 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 School 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, Local Governments and Non-Profit Organizations," and the State Treasury Circular letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on compliance and internal control 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:

Springfield Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the School District are included in this report.

The Springfield Township Board of Education and its school constitute and School District's reporting entity. The School District provides a full range of educational services appropriate to grade levels K through 6. These include regular education, academic enrichment programs and Special Education instruction and Child Study Team services. Special Education for Preschool handicapped is operated in a consortium of school district programs. The School District completed the 2009-2010 fiscal year with an enrollment of 293 students (June 2010). The following details the changes in the student enrollment of the District over the last ten years.

**AVERAGE STUDENT ENROLLMENT
AS REPORTED TO THE STATE**

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2010-11	289.4	(3.47%)
2009-10	299.8	(2.85%)
2008-09	308.6	.75%
2007-08	306.3	(1.2%)
2006-07	310.1	(0.6%)
2005-06	312.1	(1.2%)
2004-05	316.0	(1.0%)
2003-04	319.0	(1.5%)
2002-03	324.0	3.5%
2001-02	312.8	(6.5%)
2000-01	334.4	1.0%
Total Decrease Over Ten Years		10.34%

2. ECONOMIC CONDITION AND OUTLOOK:

Springfield Township is a rural community containing a significant proportion of farmland. In spite of several purchases under the farmland preservation programs, there is still much acreage available for development. Over 4100 acres have been preserved to date under the farmland preservation program. The Township is aggressively trying to preserve as much land as possible. A few new homes are being built within the Township due to the parameters of the Township's intent to preserve open land. In the attempt, the Township Council recently voted to require a minimum of ten acres for new homes.

Although there are very few business-related ratables in Springfield Township causing most of the tax burden to be placed on the homeowner, there was a significant addition to the tax base in 2010 in the amount of \$2,444,292.00. This greatly reduced the tax impact of the proposed 2010-2011 budget.

3. MAJOR INITIATIVES:

The development of the 2011-2012 Springfield Township budget in this challenging economic climate has focused on maintaining programs and initiatives funded in the 2008-2009, 2009-2010 and 2011-2012 budgets. Where funding did not allow, modifications were made that retained the spirit of the initiatives through scheduling adjustments, creative use of staffing, and resource conservation.

The District's self-contained class continues to provide a personalized setting where on-site programs can be tailored to children's unique learning needs. Inclusive special education programs, staffed by teachers and support personnel demonstrate the District's commitment to providing a least restrictive environment for special education.

The schedule continues to provide opportunities for articulation among grade-level teachers; however, due to limitations resulting from a cutback in the schedules of some staff members, professional learning communities no longer can incorporate special educators and instructional support staff as in 2010-11. Also eliminated were planning periods with classroom teachers and the media specialist, time that had been valued for the coordination it provided in the application of technology as authentic learning integrated with other academic disciplines.

Again, in 2011-2012 as in 2010-2011, opportunities to enhance recess time by providing book club and math games for children will also be limited due to staffing. This is unfortunate, as students benefited greatly from these "club"-like activities and looked forward to them each week.

SmartBoard technology was installed during the 2010-2011 school year and will continue to be applied as a teaching tool. REAP grant money is available and could potentially be used to complete SmartBoard installation in special subject classrooms that did not receive this technology last year.

Initiatives that are scheduled to continue from 2010-2011 include coaching from the University of Pennsylvania's Penn Literacy Network, which was and will be funded with Title I funds. The collaboration between the staff and Jim Messersmith of Rider University is also anticipated to continue, funded through Title I and REAP grant monies.

The talents of the Springfield Township staff will be called upon to maintain and inspire continued professional growth, especially as the District seeks to redefine its administrative structure. This will be an important focus in the preparation of the 2011-2012 budget.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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 recognized 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 School 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 School District management.

As part of the School 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 School District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the School 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 project 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

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 and account groups. These funds and account groups 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 School District has adopted a cash management plan which requires it to deposit public funds in the New Jersey Cash Management Fund or in public depositories protected from loss under the provisions of the Government 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:

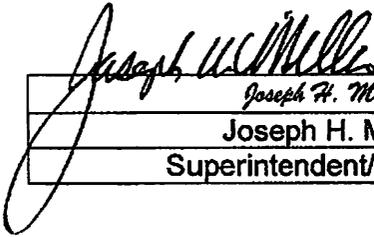
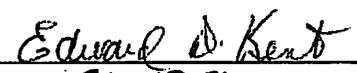
The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

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 Inverso & Stewart, LLC, was selected by the Board's audit 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 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. This 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 sections of this report.

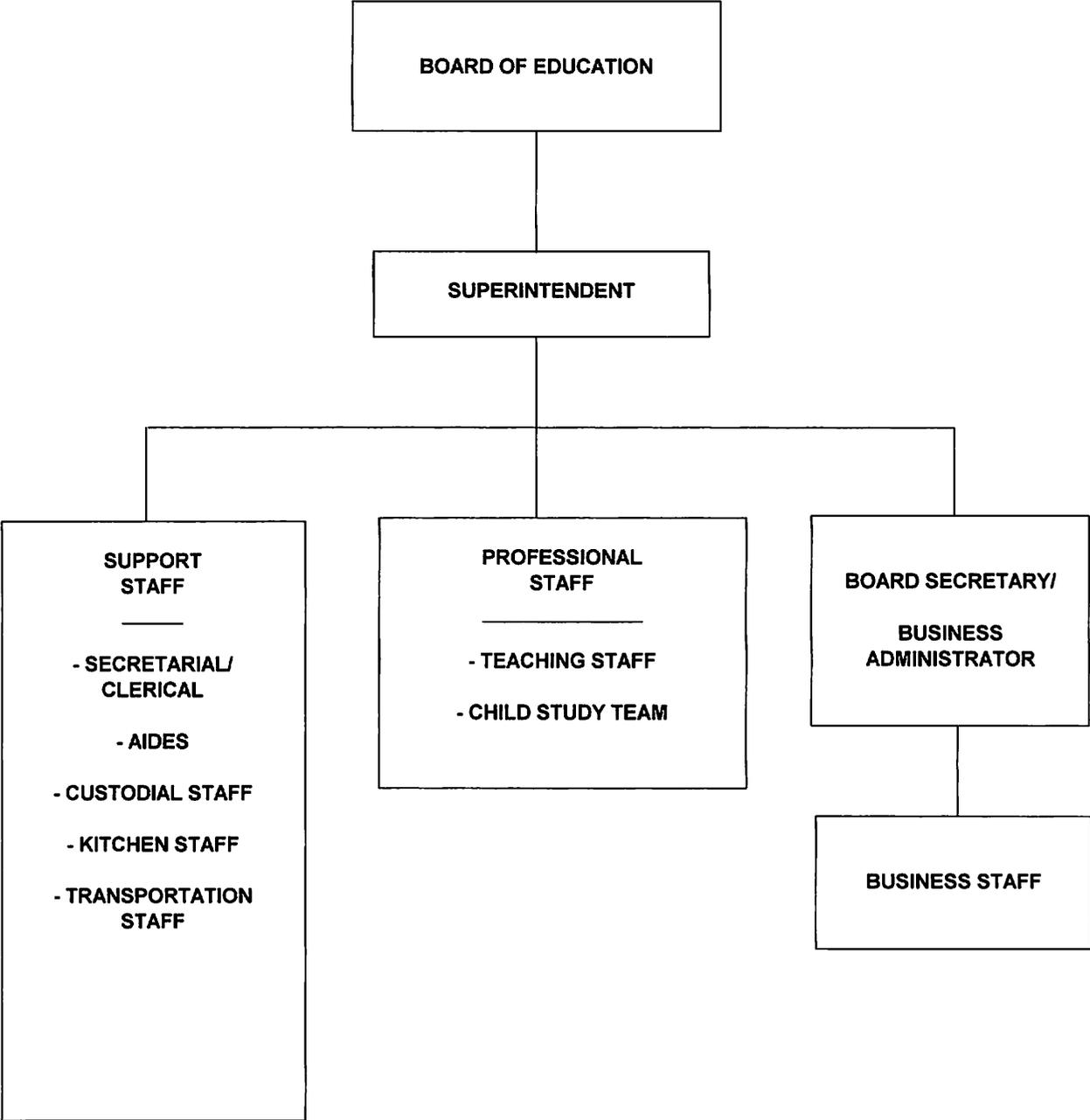
10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Springfield Township 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.

 <i>Joseph H. Miller</i>	 <i>Edward D. Kent</i>
Joseph H. Miller	Edward D. Kent
Superintendent/Principal	School Business Administrator/Board Secretary

SPRINGFIELD TOWNSHIP BOARD OF EDUCATION

Organizational Chart (Unit Control)



SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**Roster of Officials
June 30, 2011**

Members of the Board of Education:

Term Expires

James Specca, President	2014
David Reinisch, Vice-President	2014
Jennifer Steel	2012
Dennis Schmieder	2013
Maggie Payne	2012
John Megariotis	2013
Lisa Giovanelli	2014
John Ainsworth	2012
Wil Klentzeris	2013

Other Officials:

Joseph Miller, Interim Superintendent/Principal
Edward Kent, Interim School Business Administrator/Board Secretary
Michael F. Colling, Treasurer
Isabel Machado, Esq. Solicitor

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Isabel Machado Esquire
Machado Law Group, LLC
136 Central Avenue, 2nd Floor
Clark, NJ 07066

Official Depository

Beneficial Bank
305 Bordentown-Chesterfield Road
Chesterfield, NJ 08515

Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
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E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, in the County of Burlington, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, in the County of Burlington, State of New Jersey, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

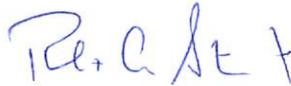
In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2011 on our consideration of the Springfield Township School District, in the County of Burlington, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Township School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures 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, State Grants and State Aid*, and are also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District (School District), in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated July 31, 2011. 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Springfield Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified the following deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting: Finding #2011-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Springfield Township School District's 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 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 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, and which are described in the accompanying schedule of findings and questioned costs as Findings #2011-1 and 2011-2.

We noted certain matters that we reported to management of the Springfield Township School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated July 31, 2011.

This report is intended solely for the information and use of the management, the Board of Education, others within the School District, the Division of Finance, Department of Education, State of New Jersey, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2011

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Springfield Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

As management of the Board of Education of the Springfield Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$2,001,288 (*net assets*).
- Governmental activities have unrestricted net assets of \$34,221. The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of the adopted budget as unrestricted fund balance are primarily responsible for this minimum balance.
- The total net assets of the School District increased by \$313,571, or a 18.58% increase from the prior fiscal year-end balance. The majority of this increase is attributable to the reduction of long-term debt obligations.
- Fund balance of the School District's governmental funds increased by \$175,924 resulting in an ending fund balance of \$740,162. This was a result of the School District reducing the budgetary expenditures.
- Business-type activities have unrestricted net assets of \$26,365 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program).
- The School District's long-term obligations decreased by \$191,555 which is the net result of current year payments on existing debt obligations and the restructuring of compensated absences payable in accordance with approved contracts.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2011. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2011.

The assets of the primary government activities exceeded liabilities by \$1,974,923 with an unrestricted balance of \$34,221. As mentioned earlier, unrestricted net assets are low primarily due to the accounting treatment for compensated absences payable, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of the adopted budget as unrestricted fund balance. The net assets of the primary government do not include internal balances.

A net investment of \$1,349,913 in land, improvements, buildings and equipment which provide the services to the School District's students, represents 68.35% of the School District's net assets. Net assets of \$590,789 have been restricted as follows:

Reserved for capital projects	\$ 89,409
Reserved for future budget appropriations	216,124
Reserved for future maintenance programs	10,000
Reserved for 2011/2012 budget	275,256

**Comparative Summary of Net Assets
As of June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	\$ 784,550	\$ 695,167	\$ 36,979	\$ 39,775	\$ 821,529	\$ 734,942
Capital assets	<u>1,349,913</u>	<u>1,404,052</u>			<u>1,349,913</u>	<u>1,404,052</u>
Total assets	<u>2,134,463</u>	<u>2,099,219</u>	<u>36,979</u>	<u>39,775</u>	<u>2,171,442</u>	<u>2,138,994</u>
Liabilities:						
Current Liabilities	44,388	310,317	10,614	13,253	55,002	323,570
Noncurrent Liabilities	<u>115,152</u>	<u>127,707</u>			<u>115,152</u>	<u>127,707</u>
Total liabilities	<u>159,540</u>	<u>438,024</u>	<u>10,614</u>	<u>13,253</u>	<u>170,154</u>	<u>451,277</u>
Net assets	<u>\$ 1,974,923</u>	<u>\$ 1,661,195</u>	<u>\$ 26,365</u>	<u>\$ 26,522</u>	<u>\$ 2,001,288</u>	<u>\$ 1,687,717</u>

Net assets consist of:

Invested in capital assets, net of related debt	\$ 1,349,913	\$ 1,225,052			\$ 1,349,913	\$ 1,225,052
Restricted net assets	590,789	435,307			590,789	435,307
Unrestricted net assets	<u>34,221</u>	<u>836</u>	<u>\$ 26,365</u>	<u>\$ 26,522</u>	<u>60,586</u>	<u>27,358</u>
Net assets	<u>\$ 1,974,923</u>	<u>\$ 1,661,195</u>	<u>\$ 26,365</u>	<u>\$ 26,522</u>	<u>\$ 2,001,288</u>	<u>\$ 1,687,717</u>

Governmental Activities

Governmental activities increased the net assets of the School District by \$313,728 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- Revenues decreased \$45,525 due to loss of federal and state grants.
- Total budget expenditures decreased \$246,964 or 5.14% in fiscal year 2010-11 when compared to fiscal year 2009-10. The drop in expenditures can be attributed to a reduction in salaries due to retirements and health benefit reductions.

Business-type Activities

- Business-type activities decreased the School District's net assets by \$157.

Comparative Schedule of Changes in Net Assets As of and for the Fiscal Year Ended June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services			\$ 79,556	\$ 81,596	\$ 79,556	\$ 81,596
Operating grants and Contributions	\$ 444,530	\$ 548,946	21,467	27,973	465,997	576,919
General Revenues:						
Property Taxes	3,230,096	3,161,544			3,230,096	3,161,544
State Aid	1,146,654	1,123,709			1,146,654	1,123,709
Other Revenues	<u>51,201</u>	<u>83,807</u>	<u>220</u>	<u>298</u>	<u>51,421</u>	<u>84,105</u>
Total Revenues	<u>4,872,481</u>	<u>4,918,006</u>	<u>101,243</u>	<u>109,867</u>	<u>4,973,724</u>	<u>5,027,873</u>

Expenses:						
Governmental						
Activities:						
Instruction	\$ 1,890,552	\$ 1,860,229			\$ 1,890,552	\$ 1,860,229
Tuition	44,200	55,822			44,200	55,822
Related Services	471,046	579,310			471,046	579,310
Administrative						
Services	407,241	461,824			407,241	461,824
Operations and						
Maintenance	331,962	421,006			331,962	421,006
Transportation	271,823	276,091			271,823	276,091
Unallocated Benefits	1,066,296	1,079,529			1,066,296	1,079,529
Special Schools	10,652	10,027			10,652	10,027
Interest on long-term						
Debt	8,858	16,642			8,858	16,642
Other	56,123	45,237			56,123	45,237
Business-Type						
Activities:						
Food Service						
Operations			\$ 101,400	\$ 119,283	101,400	119,283
Total Expenses	4,558,753	4,805,717	101,400	119,283	4,660,153	4,925,000
Increase (Decrease) in Net						
Assets Before						
transfers	313,728	112,289	(157)	(9,416)	313,571	102,873
Transfers						
Changes in net assets	313,728	112,289	(157)	(9,416)	313,571	102,873
Prior year adjustments						
Net assets, July 1,	1,661,195	1,548,906	26,522	35,938	1,687,717	1,584,844
Net assets, June 30,	\$ 1,974,923	\$ 1,661,195	\$ 26,365	\$ 26,522	\$ 2,001,288	\$ 1,687,717

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$740,162, an increase of \$175,924 in comparison with the prior year. The increase can be attributed to the a reduction in salary costs.

The unassigned fund balance for the School District at the end of the fiscal year represents the unassigned fund balance for the General Fund of \$254,524. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) restricted cash reserved for future capital outlay expenditures (\$89,409), 2) appropriated as a revenue source in the subsequent year's budget (\$275,256), 3) restricted for future maintenance projects

(\$10,000) or 4) reserved for future budget appropriation in accordance with state statute (\$216,124).

The general fund is the chief operating fund of the School District. As discussed earlier, the minimum balance in the unassigned fund balance is due, primarily, to the accounting treatment of the June state aid payments as discussed in the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

In the special revenue fund revenue is generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

There is no difference between the original budget and the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$254,524, while total fund balance (budgetary basis) was \$845,313. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$4,387,395. Unassigned fund balance (budgetary basis) represents 5.8% of expenditures while total fund balance (budgetary basis) represents 19.26% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totaled \$1,349,913 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$54,139.

Major capital assets events during the current fiscal year included the following:

- Depreciation expense for the current fiscal year was \$54,139.

**Capital Asset (net of accumulated depreciation)
June 30, 2011 and 2010**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	2011	2010	2011	2010	2011	2010
Land	\$ 90,889	\$ 90,889			\$ 90,889	\$ 90,889
Construction in Progress						
Site Improvements	60,458	64,534			60,458	64,534
Buildings and Building Improvements	1,128,000	1,167,153			1,128,000	1,167,153
Equipment	70,566	81,476			70,566	81,476
Vehicles						
Net assets	<u>\$ 1,349,913</u>	<u>\$ 1,404,052</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,349,913</u>	<u>\$ 1,404,052</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2011, the School District paid off it's entire bonded debt and had no debt outstanding.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$11,955,851 and the legal debt margin was \$11,955,851.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2011-2012 fiscal year:

- The overall budget is \$176,942 more than FY2010-2012 due to minimal increase in state aid.
- In order to minimize expenditures, the District participates in 25 cost-saving shared service arrangements.
- The Springfield Township School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Request for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Springfield Township School District Business Office, 2146 Jacksonville Road, Jobstown, New Jersey, 08041, telephone number (609) 723-2383.

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 TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 634,643	\$ 33,118	\$ 667,761
Receivables, net	60,498	1,238	61,736
Inventory		2,623	2,623
Restricted Assets:			
Cash and Cash Equivalents	89,409		89,409
Capital Assets, net (Note 5)	1,349,913		1,349,913
Total Assets	2,134,463	36,979	2,171,442
LIABILITIES:			
Accounts Payable	36,708	10,614	47,322
Intergovernmental Payable:			
State	5,497		5,497
Other governmental units	2,183		2,183
Noncurrent Liabilities (Note 7):			
Due beyond one year	115,152		115,152
Total Liabilities	159,540	10,614	170,154
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	1,349,913		1,349,913
Restricted for:			
General Fund	501,380		501,380
Capital Projects	89,409		89,409
Unrestricted	34,221	26,365	60,586
Total Net Assets	\$ 1,974,923	\$ 26,365	\$ 2,001,288

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 1,268,836		\$ 90,024		\$ (1,178,812)		\$ (1,178,812)
Special Education	475,580				(475,580)		(475,580)
Other instruction	146,136				(146,136)		(146,136)
Support Services:							
Tuition	44,200				(44,200)		(44,200)
Student & instruction related services	471,046		30,651		(440,395)		(440,395)
General administrative services	195,031				(195,031)		(195,031)
School administrative services	76,640				(76,640)		(76,640)
Central services	135,570				(135,570)		(135,570)
Plant operations and maintenance	331,962				(331,962)		(331,962)
Pupil transportation	271,823				(271,823)		(271,823)
Unallocated employee benefits	1,066,296		275,297		(790,999)		(790,999)
Special schools	10,652				(10,652)		(10,652)
Interest on long-term debt	8,858		48,558		39,700		39,700
Unallocated depreciation and amortization	56,123				(56,123)		(56,123)
Total Governmental Activities	<u>4,558,753</u>		<u>444,530</u>		<u>(4,114,223)</u>		<u>(4,114,223)</u>
Business-Type Activities:							
Food service	101,400	\$ 79,556	21,467			\$ (377)	(377)
Total Business-Type Activities	<u>101,400</u>	<u>79,556</u>	<u>21,467</u>			<u>(377)</u>	<u>(377)</u>
Total Primary Government	<u>\$ 4,660,153</u>	<u>\$ 79,556</u>	<u>\$ 465,997</u>	<u>\$ -</u>	<u>(4,114,223)</u>	<u>(377)</u>	<u>(4,114,600)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					3,090,167		3,090,167
Taxes levied for debt service					139,929		139,929
Federal and State aid not restricted					1,146,654		1,146,654
Investment Earnings					836	220	1,056
Miscellaneous Income					50,365		50,365
Transfers							
Total general revenues, special items, extraordinary items and transfers					<u>4,427,951</u>	<u>220</u>	<u>4,428,171</u>
Change in Net Assets					<u>313,728</u>	<u>(157)</u>	<u>313,571</u>
Net Assets - July 1, 2010					<u>1,661,195</u>	<u>26,522</u>	<u>1,687,717</u>
Net Assets - June 30, 2011					<u>\$ 1,974,923</u>	<u>\$ 26,365</u>	<u>\$ 2,001,288</u>

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

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.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 773,671	\$ (49,619)	\$ -	\$ -	\$ 724,052
Receivables:					
Intergovernmental					
State	4,524				4,524
Federal		55,974			55,974
Total Assets	<u>\$ 778,195</u>	<u>\$ 6,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,550</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 35,850	\$ 858			\$ 36,708
Intergovernmental payable:					
State		5,497			5,497
Other governmental units	2,183				2,183
Total Liabilities	<u>38,033</u>	<u>6,355</u>			<u>44,388</u>
 Fund Balances:					
Restricted for:					
Excess surplus	216,124				216,124
Capital reserve	89,409				89,409
Maintenance reserve	10,000				10,000
Assigned to:					
Subsequent year's budget	275,256				275,256
Unassigned	149,373				149,373
Total Fund Balances	<u>740,162</u>				<u>740,162</u>
Total Liabilities and Fund Balances	<u>\$ 778,195</u>	<u>\$ 6,355</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,286,573 and the accumulated depreciation is \$1,936,660. 1,349,913

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:

Compensated Absences Payable (115,152)

Net assets of governmental activities \$ 1,974,923

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 3,090,167			\$ 139,929	\$ 3,230,096
Interest earned	836				836
Miscellaneous	50,365				50,365
Total local sources	3,141,368			139,929	3,281,297
State sources	1,421,951			48,558	1,470,509
Federal sources		\$ 120,675			120,675
Total Revenues	4,563,319	120,675		188,487	4,872,481
EXPENDITURES:					
Current expense:					
Regular instruction	1,191,367	90,024			1,281,391
Special education instruction	475,580				475,580
Other instruction	146,136				146,136
Support services and undistributed costs:					
Tuition	44,200				44,200
Student & instruction related services	440,395	30,651			471,046
General administrative services	195,031				195,031
School administrative services	76,640				76,640
Central services	135,570				135,570
Plant operations and maintenance	331,962				331,962
Pupil transportation	271,823				271,823
Unallocated employee benefits	1,066,296				1,066,296
Capital outlay	1,743				1,743
Special schools	10,652				10,652
Debt service:					
Principal				179,000	179,000
Interest and other charges				9,487	9,487
Total Expenditures	4,387,395	120,675		188,487	4,696,557
Excess (Deficiency) of Revenues over (under) Expenditures	175,924				175,924
Other Financing Sources (Uses):					
Transfers in					
Transfers out					
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	175,924				175,924
Fund Balances - July 1, 2010	564,238				564,238
Fund Balances - June 30, 2011	\$ 740,162	\$ -	\$ -	\$ -	\$ 740,162

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	175,924
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in the governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (54,139)	
Fixed assets additions	<u> </u>	(54,139)
<p>Repayment of long-term debt 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.</p>		
		179,000
<p>Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		(1,984)
<p>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. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		2,372
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>12,555</u>
Change in Net Assets of Governmental Activities	\$	<u><u>313,728</u></u>

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 33,118
Intergovernmental receivables:	
State	87
Federal	1,151
Inventories	<u>2,623</u>
Total current assets	<u>36,979</u>
Noncurrent assets:	
Machinery and equipment (net of accumulated depreciation)	<u> </u>
Total noncurrent assets	<u> </u>
Total Assets	<u>36,979</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	10,614
Total current liabilities	<u>10,614</u>
NET ASSETS:	
Invested in capital assets	
Unrestricted	<u>26,365</u>
Total Net Assets	<u>\$ 26,365</u>

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily sales:	
Reimbursable programs	\$ 56,271
Non-reimbursable programs	23,285
Contribution from management company	<u>3,555</u>
Total Operating Revenue	<u>83,111</u>
Operating Expenses:	
Salaries and fringe benefits	48,149
Supplies and materials	1,622
Other costs	3,745
Management Fee	11,050
Miscellaneous expenses	245
Cost of sales	<u>40,144</u>
Total Operating Expenses	<u>104,955</u>
Operating Income (Loss)	<u>(21,844)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,096
Federal sources:	
National school lunch program	15,709
Special milk program	509
Food distribution program	4,153
Local sources:	
Interest earned	<u>220</u>
Total Non-Operating Revenues	<u>21,687</u>
Income (Loss) before Contributions and Transfers	(157)
Operating Transfer In	<u> </u>
Changes in Net Assets	(157)
Net Assets - July 1, 2010	<u>26,522</u>
Net Assets - June 30, 2011	<u>\$ 26,365</u>

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 83,111
Cash payments to employees for services	(48,149)
Cash payments to suppliers for goods and services	<u>(57,739)</u>
Net Cash Provided by (used for) Operating Activities	<u>(22,777)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,120
Cash received from federal sources	20,636
Cash received from operating transfer in	<u> </u>
Net Cash Provided by (used for) Noncapital Financing Activities	<u>21,756</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of Equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on Cash Equivalents	<u>220</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(801)
Cash and Cash Equivalents - July 1, 2010	<u>33,919</u>
Cash and Cash Equivalents - June 30, 2011	<u>\$ 33,118</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Operating Income (Loss)	\$ (21,844)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (used for) Operating Activities:	
Depreciation	
Change in Assets and Liabilities:	
(Increase) Decrease in Inventories	1,706
(Increase) Decrease in Accounts Receivable	<u>(2,639)</u>
Increase (Decrease) in Accounts Payables	<u> </u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (22,777)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$4,153 of food commodities from the U.S. Department of Agriculture.	

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
ASSETS:		
Cash and cash equivalents	\$ 32,306	\$ 76,257
 Total Assets	 <u>32,306</u>	 <u>\$ 76,257</u>
 LIABILITIES:		
Payroll deductions and withholdings		\$ 54,750
Due to student groups		<u>21,507</u>
 Total Liabilities		 <u>\$ 76,257</u>
 NET ASSETS:		
Held in trust for unemployment claims and other purposes	 <u>\$ 32,306</u>	

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee	\$ -
Total contributions	
Investment earnings:	
Interest	357
Total Additions	<u>357</u>
DEDUCTIONS:	
Unemployment claims	12,280
Total Deductions	<u>12,280</u>
Change in Net Assets	(11,923)
Net Assets - July 1, 2010	<u>44,229</u>
Net Assets - June 30, 2011	<u>\$ 32,306</u>

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

Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Springfield Township School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 6. Students in grades 7 through 12 attend the Northern Burlington County Regional High School District. The Springfield Township School District has an approximate enrollment at June 30, 2011 of 290 students.

Criteria for determining if other entities are potential component units which should be reported within the School District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the School District is financially accountable and other organizations that the nature and significance of their relationship with the School District are such that exclusion would cause the School District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Presentation

The basic financial statements of the Springfield Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-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.

Government-wide Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

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. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - The enterprise 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 School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net assets) is segregated into investment in capital assets, net of related debt, and unrestricted net assets, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds (Continued) - Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has three fiduciary funds; an unemployment compensation trust fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. 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 School 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.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued) - The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year, if any, is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2 and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

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 assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2011 and 2010 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Inventories - Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

Inventories recorded in the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring cost of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets. .

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
Land Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the 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, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences - Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

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 borrowings 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.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity – In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance – This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School District – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education and the Chief School Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the School District's policy to use externally restricted fund balances first, then unrestricted fund balance – committed, assigned, and unassigned – in order as needed.

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. There are no non-operating expenses

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District’s deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$862,460.19 at June 30, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey’s multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

During the fiscal year, the School district participated in the New Jersey Cash Management Fund. This Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial risk. Accordingly, the School District’s deposits with the New Jersey Cash Management Fund of \$64,607.97 were uninsured and uncollateralized.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District for the accumulation of funds for use as capital outlay expenditures in subsequent 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the New Jersey Department of Education, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Balance – July 1, 2010		\$ 88,573
Increased by:		
Interest earned	\$ 836	
Board resolution	_____	
		836
		89,409
Decreased by:		
Budget withdrawal	_____	
Balance – June 30, 2011		\$ 89,409

The June 30, 2011 LRFP balance of local support costs of uncompleted projects is \$7,269,972.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2011 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental				
State	\$ 4,524		\$ 87	\$ 4,611
Federal		\$ 55,974	1,151	57,125
Total Accounts Receivable	\$ 4,524	\$ 55,974	\$ 1,238	\$ 61,736

5. CAPITAL ASSETS

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

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 90,889			\$ 90,889
Construction in progress				
Total capital assets, not being Depreciated	<u>90,889</u>			<u>90,889</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	181,819			181,819
Building and Building Improvements	2,347,104			2,347,104
Equipment	332,690			332,690
Vehicles	284,470			284,470
Totals at historical cost	<u>3,146,083</u>			<u>3,146,083</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(117,285)	(4,076)		(121,361)
Building and Building Improvements	(1,179,951)	(39,153)		(1,219,104)
Equipment	(251,214)	(9,427)		(260,641)
Vehicles	(284,470)	(1,483)		(285,953)
Totals accumulated depreciation	<u>(1,832,920)</u>	<u>(54,139)</u>		<u>(1,887,059)</u>
Total Capital Assets, being depreciated, net	<u>1,313,163</u>	<u>(54,139)</u>		<u>1,259,024</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,404,052</u>	<u>\$ (54,139)</u>	<u>\$ 0.00</u>	<u>\$ 1,349,913</u>
Business-Type Activities:				
<i>Capital Assets, not being depreciated:</i>				
Equipment	\$ 9,600			\$ 9,600
Less – Accumulated depreciated	(9,600)			(9,600)
Business-Type Activities Capital Assets, Net	<u>\$ 0</u>			<u>\$ 0</u>

Depreciation expense in the amount of \$54,139 was charged to unallocated governmental functions.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

6. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food Supplies	\$ 2,396
	<u>227</u>
	<u>\$ 2,623</u>

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 127,707		\$ 12,555	\$ 115,152	
General Obligation Bonds	<u>179,000</u>		<u>179,000</u>	<u>0</u>	
	<u>\$ 306,707</u>	<u>\$ 0</u>	<u>\$ 191,555</u>	<u>\$ 115,152</u>	<u>\$ 0</u>

As of June 30, 2011 the School District had no authorizations to issue additional bonded debt.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

8. OPERATING LEASES

The School District has two non-cancelable operating lease agreements for copiers. Total costs for such leases were approximately \$12,179 for the fiscal year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 12,179
2013	12,179
2014	2,030
	<u> </u>
Total future minimum lease payments	<u>\$ 26,388</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

9. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

The School District is billed annually for its normal contribution plus any accrued liability.

The School District's contributions to the PERS, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by School District</u>
2011	\$ 15,419	\$ 24,570	\$ 3,037	\$ 43,026
2010	15,669	20,133	4,965	40,767
2009	13,516	15,633	3,623	32,772

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists. In addition, to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

9. PENSION PLANS (Continued)

The School District's contributions to the DCRP were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2011	\$ 1,660	\$ 1,074	\$ 586
2010	0	0	0
2009	0	0	0

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

10. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after 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 receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State's contribution rate is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2009.

The state is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and 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.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement were \$6,153 and \$130,698, respectively. In addition, the State of New Jersey reimbursed the School District \$138,446 during the fiscal 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 also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

12. RISK MANAGEMENT (Continued)

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: Burlington County Insurance Pool Joint Insurance Fund, PO Box 449, Marlton, New Jersey 08053.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 357	\$ 0	\$ 12,280	\$ 32,306
2009-2010	442	7,186	4,663	44,229
2008-2009	289	1,147	6,552	41,264

13. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit them to defer a portion of their current salary to all future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore are not reflected on the financial statements of the School District.

14. COMPENSATED ABSENCES

The School 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.

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. The School 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 School District for the unused sick leave in accordance with the School District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was \$115,152 and \$0.00, respectively.

**Springfield Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

12. RISK MANAGEMENT (Continued)

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Required Supplementary Information - Part II

Budgetary Comparison Schedules

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 3,090,167		\$ 3,090,167	\$ 3,090,167	
Interest Earned on Capital Reserve Funds	2,000		2,000	836	\$ (1,164)
Unrestricted misc. revenues	3,258		3,258	50,365	47,107
Total local sources	3,095,425		3,095,425	3,141,368	45,943
State sources:					
Categorical special education aid	151,566		151,566	151,566	
Equalization aid	768,206		768,206	768,206	
Categorical security aid	22,283		22,283	22,283	
Adjustment aid	34,352		34,352	34,352	
Categorical transportation aid	139,462		139,462	139,462	
Nonpublic transportation aid				4,524	4,524
On-behalf TPAF pension contrib.. (non-budgeted)				136,851	136,851
Reimbursed TPAF social security contribution (non-budgeted)				138,446	138,446
Total state sources	1,115,869		1,115,869	1,395,690	279,821
TOTAL REVENUES	4,211,294		4,211,294	4,537,058	325,764
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Kindergarten	111,345	1,050	112,395	112,329	66
Grades 1-5	829,239	(3,428)	825,811	825,590	221
Grades 6-8	207,798	1,355	209,153	206,699	2,454
Regular Programs - Home Instruction:					
Salaries of teachers	500	970	1,470	1,153	317
Regular Programs - Undistributed Instruction:					
Purchased professional - educational services	800	5,791	6,591	6,590	1
Purchased technical services	1,157	1,405	2,562	2,496	66
Other purchased services	5,270	(3,605)	1,665	10	1,655
General supplies	40,000	(2,441)	37,559	35,567	1,992
Textbooks	1,000		1,000	933	67
Miscellaneous expenditures	100		100		100
Total - Regular Programs - Instruction	1,197,209	1,097	1,198,306	1,191,367	6,939

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Multiple Disabilities:					
Salaries of teachers	\$ 120,737	\$ 5,144	\$ 125,881	\$ 125,874	\$ 7
Other salaries for instruction	41,380	1,160	42,540	42,469	71
General supplies	150	270	420	401	19
Total multiple disabilities	<u>162,267</u>	<u>6,574</u>	<u>168,841</u>	<u>168,744</u>	<u>97</u>
Resource room/resource center:					
Salaries of teachers	219,778	7,861	227,639	227,626	13
Other salaries for instruction	69,078	(4,235)	64,843	56,799	8,044
General supplies	1,000		1,000	65	935
Total resource room/resource center	<u>289,856</u>	<u>3,626</u>	<u>293,482</u>	<u>284,490</u>	<u>8,992</u>
Preschool Disabilities - Part-time:					
Salaries of teachers		21,250	21,250	20,896	354
Other salaries for instruction		5,520	5,520		5,520
Purchased professional educational services		1,000	1,000		1,000
General supplies		3,000	3,000	1,450	1,550
Total preschool disabilities - part-time		<u>30,770</u>	<u>30,770</u>	<u>22,346</u>	<u>8,424</u>
Total Special Education - Instruction	<u>452,123</u>	<u>40,970</u>	<u>493,093</u>	<u>475,580</u>	<u>17,513</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	194,356	(27,568)	166,788	146,136	20,652
Total basic skills/remedial - instruction	<u>194,356</u>	<u>(27,568)</u>	<u>166,788</u>	<u>146,136</u>	<u>20,652</u>
Total Instruction	<u>1,843,688</u>	<u>14,499</u>	<u>1,858,187</u>	<u>1,813,083</u>	<u>45,104</u>
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - spec	41,250		41,250	38,316	2,934
Tuition to CSSD & Reg. Day schools	6,394	25,528	31,922	5,884	26,038
Total undistributed expenditures - instruction	<u>47,644</u>	<u>25,528</u>	<u>73,172</u>	<u>44,200</u>	<u>28,972</u>
Attendance and Social Work Services:					
Salaries	37,703		37,703	35,408	2,295
Other purchased services	6,000	(85)	5,915	5,915	
Total attendance and social work services	<u>43,703</u>	<u>(85)</u>	<u>43,618</u>	<u>41,323</u>	<u>2,295</u>
Health Services:					
Salaries	67,965	386	68,351	61,165	7,186
Purchased professional and technical services	2,602	(241)	2,361	2,361	
Supplies and materials	1,818	(284)	1,534	1,534	
Total health services	<u>72,385</u>	<u>(139)</u>	<u>72,246</u>	<u>65,060</u>	<u>7,186</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Speech, OT, PT & Related Services					
Salaries	\$ 72,373	\$ (71,845)	\$ 528	\$ 528	
Supplies and materials	250	73,607	73,857	73,856	\$ 1
Total speech, ot, pt & related services	72,623	1,762	74,385	74,384	1
Guidance:					
Salaries of other professional staff	31,144	1,027	32,171	32,128	43
Total guidance	31,144	1,027	32,171	32,128	43
Child Study Teams:					
Salaries of other professional staff	95,458	(95,416)	42	42	
Salaries of secretarial and clerical assistants	8,026	334	8,360	8,025	335
Other purchased prof. and technical services	14,375	64,398	78,773	72,927	5,846
Misc. purchased services	1,080	(1,022)	58	58	
Supplies and materials	3,865	(3,445)	420	420	
Other objects	200	(200)			
Total child study teams	123,004	(35,351)	87,653	81,472	6,181
Improvement of Instruction Services:					
Salaries of supervisor of instruction	10,310	32,875	43,185	43,089	96
Salaries of secretarial and clerical assistants	8,573	357	8,930	8,573	357
Total improvement of instructional services	18,883	33,232	52,115	51,662	453
Educational Media Services/School Library:					
Salaries	39,308	2,053	41,361	41,245	116
Purchased prof. and technical services	52,245	(5,279)	46,966	45,888	1,078
Other purchased services (400-500 series)	255	24	279	244	35
Supplies and materials	5,000	(96)	4,904	4,871	33
Other objects	2,050	(249)	1,801	70	1,731
Total educational media services/school library	98,858	(3,547)	95,311	92,318	2,993
Instructional Staff Training Services:					
Other purchased services	415	1,644	2,059	2,048	11
Total instructional staff training services	415	1,644	2,059	2,048	11
Support Services - General Administration:					
Salaries	88,363	(425)	87,938	77,231	10,707
Legal services	20,000	27,405	47,405	47,404	1
Audit Fee	17,100		17,100	17,100	
Other purchased professional services	7,330	17,165	24,495	22,945	1,550
Communications / telephone	14,599		14,599	14,035	564
BOE other purchased services	500		500	100	400
Miscellaneous purchased services	9,000	(4,060)	4,940	2,677	2,263
Supplies and materials	5,000	292	5,292	5,292	
Judgements against the district		2,700	2,700	2,700	
Miscellaneous expenditures	1,200	1,009	2,209	2,152	57
BOE membership dues and fees	3,224	171	3,395	3,395	
Total support services - general administration	166,316	44,257	210,573	195,031	15,542

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - School Administration:					
Salaries of principals/assist. principals	\$ 70,166		\$ 70,166	\$ 57,236	\$ 12,930
Salaries of secretarial and clerical assistants	23,786	\$ (93)	23,693	18,535	5,158
Other purchased services	655		655	155	500
Supplies and materials	2,359	(1,574)	785	27	758
Other objects	575	176	751	687	64
Total support services - school administration	97,541	(1,491)	96,050	76,640	19,410
Support Services - Central Services:					
Salaries	112,183	(76)	112,107	102,789	9,318
Purchased professional services	17,610	9,008	26,618	26,618	
Misc. purchased services	1,050		1,050	820	230
Supplies and materials	3,500	1,320	4,820	4,820	
Miscellaneous expenditures	1,000	(434)	566	523	43
Total support services - central services	135,343	9,818	145,161	135,570	9,591
Required Maintenance School Facilities:					
Salaries	75,907		75,907	71,443	4,464
Cleaning, repair and maintenance services	50,000	(6,096)	43,904	6,396	37,508
General supplies	14,825	(2,000)	12,825	1,080	11,745
Other objects	300	(300)			
Total required maintenance school facilities	141,032	(8,396)	132,636	78,919	53,717
Custodial Services:					
Salaries	108,080		108,080	97,417	10,663
Salaries of non-instructional aides	27,880	(858)	27,022	18,268	8,754
Purchased professional and technical services	10,870	1,556	12,426	12,423	3
Cleaning, repair and maintenance services	16,842	4,165	21,007	19,633	1,374
Insurance	3,550	5,700	9,250	7,477	1,773
Misc. Purchased Services	100		100	6	94
General Supplies	20,000	(950)	19,050	17,872	1,178
Energy (Natural Gas)		48,357	48,357	25,741	22,616
Energy (Electricity)	100,581	(46,815)	53,766	53,765	1
Other Objects	500		500	441	59
Total custodial services	288,403	11,155	299,558	253,043	46,515
Total operation & maint. of plant services	429,435	2,759	432,194	331,962	100,232
Student Transportation Services:					
Salaries - (between home & sch) - regular	13,132	1,510	14,642	13,999	643
Salaries - (between home & sch) - special	35,893	(1,510)	34,383	30,137	4,246
Management fee - ESC Transportation	10,000	1,039	11,039	10,713	326
Cleaning, repair and maint. Services	1,500		1,500	651	849
Contr. serv. (between home & sch) - vendors	2,500		2,500		2,500
Contr. serv. (between home & sch) - joint agree	187,872	(12,113)	175,759	174,243	1,516
Contr. Serv. (Spl. Ed. Students) - joint agree	4,113	14,620	18,733	18,722	11
Contr. Services - aid-in-lieu of	37,500		37,500	22,984	14,516
Misc. purchased services - transportation	2,222		2,222	274	1,948
Transportation supplies	534		534		534
Miscellaneous expenditures	148		148	100	48
Total student transportation services	295,414	3,546	298,960	271,823	27,137

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits:					
Group insurance	\$ 996		\$ 996		\$ 996
Social security contributions	49,048	\$ 2,438	51,486	\$ 48,897	2,589
Other Retirement contributions	25,810	36,431	62,241	43,528	18,713
Workmen's compensation	15,006	(5,700)	9,306	9,306	
Health benefits	725,960	(44,008)	681,952	680,242	1,710
Tuition reimbursement	11,400	(2,438)	8,962	7,600	1,362
Other employee benefits	9,644	(6,561)	3,083	1,426	1,657
Total unallocated benefits - employee benefits	837,864	(19,838)	818,026	790,999	27,027
On-behalf TPAF pension contr. (non-budgeted)				136,851	(136,851)
Reimbursed TPAF social security contr. (non-budgeted)				138,446	(138,446)
Total Undistributed Expenditures	2,470,572	63,122	2,533,694	2,561,917	(28,223)
Total General Current Expense	4,314,260	77,621	4,391,881	4,375,000	16,881
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	2,000	(2,000)			
Facilities Acquisition and Construction Services:					
Other objects	1,723	20	1,743	1,743	
Total equipment	1,723	20	1,743	1,743	
Total Capital Outlay	3,723	(1,980)	1,743	1,743	
SPECIAL SCHOOLS:					
Summer School:					
Salaries of teachers	7,950		7,950	5,964	1,986
Other salaries for instruction	3,590	1,098	4,688	4,688	
Other purchased services	705	(705)			
Total summer school	12,245	393	12,638	10,652	1,986
Transfer to Charter Schools	77,887	(76,034)	1,853		1,853
TOTAL EXPENDITURES	4,408,115		4,408,115	4,387,395	20,720
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(196,821)		(196,821)	149,663	346,484

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	\$ (196,821)		\$ (196,821)	\$ 149,663	\$ 346,484
Fund Balance - July 1, 2011	<u>695,650</u>		<u>695,650</u>	<u>695,650</u>	
Fund Balance - June 30, 2012	<u>\$ 498,829</u>	<u>\$ -</u>	<u>\$ 498,829</u>	<u>\$ 845,313</u>	<u>\$ 346,484</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 89,409	
Maintenance reserve				10,000	
Excess Surplus				216,124	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				275,256	
Unassigned Fund Balance				<u>254,524</u>	
				845,313	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(105,151)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 740,162</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the 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>
REVENUES:					
State sources	\$ 14,707		\$ 14,707		\$ (14,707)
Federal sources	137,059		137,059	\$ 120,675	(16,384)
Total Revenues	<u>151,766</u>		<u>151,766</u>	<u>120,675</u>	<u>(31,091)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	1,785		1,785		1,785
Purchased prof. tech. services	11,556		11,556		11,556
Purchased professional services	12,271		12,271	10,186	2,085
Tuition	64,803		64,803	60,000	4,803
General supplies	28,095		28,095	19,838	8,257
Textbooks	625		625		625
Total Instruction	<u>119,135</u>		<u>119,135</u>	<u>90,024</u>	<u>29,111</u>
Support Services:					
Other salaries	741		741		741
Purchased prof. tech. services	18,710		18,710	18,710	
Purchased prof. educ. services	10,180		10,180	8,941	1,239
Other purchased services	3,000		3,000	3,000	
Total Support Services	<u>32,631</u>		<u>32,631</u>	<u>30,651</u>	<u>1,980</u>
Facilities Acquisition and Construction Services:					
Instructional equipment					
Total Facilities Acq. and Const. Services					
Total Expenditures	<u>151,766</u>		<u>151,766</u>	<u>120,675</u>	<u>31,091</u>
Total Outflows	<u>151,766</u>		<u>151,766</u>	<u>120,675</u>	<u>31,091</u>
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2011

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 4,537,058	\$ 120,675
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	131,412	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(105,151)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 4,563,319</u>	<u>\$ 120,675</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 4,387,395	\$ 120,675
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 4,387,395</u>	<u>\$ 120,675</u>

Other Supplementary Information

**Special Revenue Fund
Detail Statements**

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year ended June 30, 2011

	<u>Title I</u>	<u>Title II A</u>	<u>IDEA Basic</u>	<u>REAP</u>	<u>Total</u>
REVENUES:					
State sources					
Federal sources	\$ 8,144	\$ 4,816	\$ 78,710	\$ 29,005	\$ 120,675
Total Revenues	<u>8,144</u>	<u>4,816</u>	<u>78,710</u>	<u>29,005</u>	<u>120,675</u>
EXPENDITURES:					
Instruction:					
Purchased professional services				10,186	10,186
Tuition			60,000		60,000
General supplies	964	55		18,819	19,838
Total Instruction	<u>964</u>	<u>55</u>	<u>60,000</u>	<u>29,005</u>	<u>90,024</u>
Support Services:					
Purchased prof. tech. services			18,710		18,710
Purchased prof. educ. services	7,180	1,761			8,941
Other purchased services		3,000			3,000
Total support Services	<u>7,180</u>	<u>4,761</u>	<u>18,710</u>		<u>30,651</u>
Facilities Acquisition and Const. Serv.:					
Instructional equipment					
Total Facilities Acq. and Const. Serv.					
Total Expenditures	<u>8,144</u>	<u>4,816</u>	<u>78,710</u>	<u>29,005</u>	<u>120,675</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

**Capital Projects Fund
Detail Statements**

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

The District does not maintain a capital projects fund.

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 fees.

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2011

	Food Service Fund
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 33,118
Accounts receivable:	
State	87
Federal	1,151
Inventories	<u>2,623</u>
Total Current Assets	<u>36,979</u>
Noncurrent Assets:	
Equipment	49,600
Less - accumulated depreciation	<u>(49,600)</u>
Total Noncurrent Assets	<u> </u>
Total Assets	<u>36,979</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	10,614
Total Current Liabilities	<u>10,614</u>
 NET ASSETS:	
Invested in capital assets	
Unrestricted	<u>26,365</u>
Total Net Assets	<u>\$ 26,365</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 56,271
Daily sales non-reimbursable programs	
Adult and alacarte sales	23,285
Contribution from management company	<u>3,555</u>
Total Operating Revenues	<u>83,111</u>
OPERATING EXPENSES:	
Cost of sales	40,144
Salaries and fringe benefits	48,149
Supplies	1,622
Other costs	3,745
Management Fee	11,050
Miscellaneous expenses	<u>245</u>
Total Operating Expenses	<u>104,955</u>
Operating Income (Loss)	<u>(21,844)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	1,096
Federal sources:	
National school lunch program	15,709
Special milk program	509
Food distribution program	4,153
Local sources:	
Interest earned	<u>220</u>
Total Non-Operating Revenues	<u>21,687</u>
Income (Loss) before Contributions and Transfers	(157)
Operating Transfer In	<u> </u>
Changes in Net Assets	(157)
Net Assets - July 1, 2010	<u>26,522</u>
Net Assets - June 30, 2011	<u>\$ 26,365</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 83,111
Cash payments to employees for services	(48,149)
Cash payments to suppliers for goods and services	<u>(57,739)</u>
Net cash provided by (used for) operating activities	<u>(22,777)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	1,120
Cash received from federal sources	20,636
Cash received from operating transfer in	<u> </u>
Net cash provided by noncapital financing activities	<u>21,756</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>220</u>
Net increase (decrease) in cash and cash equivalents	(801)
Cash and cash equivalents - July 1, 2010	<u>33,919</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 33,118</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (21,844)
Adjustments to reconcile operating income (loss) to cash provided by (used for)	
operating activities:	
Depreciation	
Change in assets and liabilities:	
(Increase) decrease in inventories	1,706
(Increase) decrease in receivables	
Increase (decrease) in accounts payable	<u>(2,639)</u>
Net cash provided by (used for) operating activities	<u>\$ (22,777)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$4,153 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds Detail Statements

Fiduciary Funds are used to account for funds received by the district for a specific purpose.

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

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

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

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2011

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	<u>Unemployment Compensation</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 32,306	\$ 21,507	\$ 54,750	\$ 108,563
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>32,306</u>	<u>\$ 21,507</u>	<u>\$ 54,750</u>	<u>108,563</u>
 LIABILITIES:				
Liabilities:				
Payroll deductions payable			\$ 54,750	54,750
Due to student groups	<u> </u>	<u>\$ 21,507</u>	<u> </u>	<u>21,507</u>
Total Liabilities	<u> </u>	<u>\$ 21,507</u>	<u>\$ 54,750</u>	<u>76,257</u>
 NET ASSETS:				
Held in trust for unemployment claims	32,306			32,306
	<u> </u>			<u> </u>
Total Net Assets	<u>\$ 32,306</u>			<u>\$ 32,306</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Unemployment Compensation Insurance Trust Fund</u>
Additions:	
Interest on investments	\$ 357
Employee withholdings	<u> </u>
Total Additions	<u>357</u>
Deductions:	
Unemployment compensation insurance claims	<u>12,280</u>
Total Deductions	<u>12,280</u>
Change in Net Assets	(11,923)
Net Assets - July 1, 2010	<u>44,229</u>
Net Assets - June 30, 2011	<u>\$ 32,306</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Accounts Payable</u>	<u>Balance June 30, 2011</u>
Elementary School	\$ 21,165	\$ 37,898	\$ 37,556		\$ 21,507
Total all schools	<u>\$ 21,165</u>	<u>\$ 37,898</u>	<u>\$ 37,556</u>	<u>---</u>	<u>\$ 21,507</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payrol Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 18,569</u>	<u>\$ 2,759,681</u>	<u>\$ 2,723,500</u>	<u>\$ 54,750</u>
Total Assets	<u><u>\$ 18,569</u></u>	<u><u>\$ 2,759,681</u></u>	<u><u>\$ 2,723,500</u></u>	<u><u>\$ 54,750</u></u>
 LIABILITIES:				
Net payroll	\$ 129.00	\$ 1,692,091	\$ 1,692,220	
Payroll deductions and withholdings	<u>18,440</u>	<u>1,067,590</u>	<u>1,031,280</u>	<u>\$ 54,750</u>
Total Liabilities	<u><u>\$ 18,569</u></u>	<u><u>\$ 2,759,681</u></u>	<u><u>\$ 2,723,500</u></u>	<u><u>\$ 54,750</u></u>

Long-Term Debt Schedules

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2011**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Renovations and Improvements to school building	04/01/93	\$ 2,500,000				\$ 179,000		\$ 179,000	\$ -
						<u>\$ 179,000</u>		<u>\$ 179,000</u>	<u>\$ -</u>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the 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>
REVENUES:					
Local sources:					
Local tax levy	\$ 139,929		\$ 139,929	\$ 139,929	
State sources:					
Debt Service Aid Type II	48,558		48,558	48,558	
	<u>188,487</u>		<u>188,487</u>	<u>188,487</u>	
Total Revenues	<u>188,487</u>		<u>188,487</u>	<u>188,487</u>	
EXPENDITURES:					
Regular debt service:					
Interest	9,487		9,487	9,487	
Redemption of principal	179,000		179,000	179,000	
	<u>188,487</u>		<u>188,487</u>	<u>188,487</u>	
Total Expenditures	<u>188,487</u>		<u>188,487</u>	<u>188,487</u>	
Excess (Deficiency) of revenues over (under) expenditures					
Fund Balance - July 1, 2010					
Fund Balance - June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

Springfield Township School District
Net Assets by Component,
Last Eight Fiscal Years
(accrual basis of accounting)

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Fiscal Year Ending June 30,

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:								
Invested in capital assets, net of related debt	\$ 16,415	\$ 474,688	\$ 545,152	\$ 700,767	\$ 811,121	\$ 1,098,524	\$ 1,225,052	\$ 1,349,913
Restricted for:								
Capital projects	268,129	32,387	59,764	62,588	87,487	87,692	88,573	89,409
Debt service				18	18	18		
Other purposes	525,497	580,241	594,582	433,654	328,709	366,103	346,734	501,380
Unrestricted	(97,023)	(110,611)	(134,100)	4,901	(1,316)	(3,431)	836	34,221
Total governmental activities net assets	<u>\$ 713,018</u>	<u>\$ 976,705</u>	<u>\$ 1,065,398</u>	<u>\$ 1,201,928</u>	<u>\$ 1,226,019</u>	<u>\$ 1,548,906</u>	<u>\$ 1,661,195</u>	<u>\$ 1,974,923</u>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 7,220	\$ 5,205	\$ 3,190	\$ 2,675	\$ 1,605	\$ 535		
Unrestricted	(13,387)	13,047	35,260	37,470	22,807	35,403	\$ 26,522	\$ 26,365
Total business-type activities net assets	<u>\$ (6,167)</u>	<u>\$ 18,252</u>	<u>\$ 38,450</u>	<u>\$ 40,145</u>	<u>\$ 24,412</u>	<u>\$ 35,938</u>	<u>\$ 26,522</u>	<u>\$ 26,365</u>
District-wide:								
Invested in capital assets, net of related debt	\$ 23,635	\$ 479,893	\$ 548,342	\$ 703,442	\$ 812,726	\$ 1,099,059	\$ 1,225,052	\$ 1,349,913
Restricted:								
Capital projects	268,129	32,387	59,764	62,588	87,487	87,692	88,573	89,409
Debt service	-	-	-	18	18	18	-	-
Other purposes	525,497	580,241	594,582	433,654	328,709	366,103	346,734	501,380
Unrestricted	(110,410)	(97,564)	(98,840)	42,371	21,491	31,972	27,358	60,586
Total district net assets	<u>\$ 706,851</u>	<u>\$ 994,957</u>	<u>\$ 1,103,848</u>	<u>\$ 1,242,073</u>	<u>\$ 1,250,431</u>	<u>\$ 1,584,844</u>	<u>\$ 1,687,717</u>	<u>\$ 2,001,288</u>

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District was not required to follow GASB 34 reporting format until fiscal year 2004.

Springfield Township School District
 Changes in Net Assets, Last Eight Fiscal Years
 (accrual basis of accounting)

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
Instruction:									
	Regular	\$ 1,748,130	\$ 1,698,430	\$ 1,337,516	\$ 1,243,872	\$ 1,278,264	\$ 1,279,798	\$ 1,317,272	\$ 1,268,836
	Special education	278,542	380,926	263,047	217,847	261,938	360,060	394,542	475,580
	Other instruction	159,943	264,330	210,037	295,666	307,877	202,061	148,415	146,136
Support Services:									
	Tuition	150,723	166,319	186,811	242,927	259,011	112,700	55,822	44,200
	Student & instruction related services	481,485	457,981	347,366	348,722	362,897	378,735	579,310	471,046
	General and business administrative services	159,950	340,167	278,211	279,362	317,334	371,630	366,561	330,601
	School administrative services	127,113	126,695	82,301	87,571	101,458	95,419	95,263	76,640
	Plant operations and maintenance	419,945	370,783	434,635	385,605	408,667	480,927	421,006	331,962
	Pupil transportation	252,968	233,542	254,733	272,274	299,550	274,735	276,091	271,823
	Business and other support services	158,768							
	Unallocated employee benefits			886,700	1,122,250	1,189,602	1,013,574	1,079,529	1,066,296
	Special schools	25,658	17,042	11,915	13,529	12,099	10,503	10,027	10,652
	Interest on long-term debt	73,882	82,084	48,446	49,233	38,107	26,182	16,642	8,858
	Unallocated depreciation	21,626	23,232	23,233	9,473	46,963	49,926	45,237	56,123
	Total governmental activities expenses	4,058,733	4,161,531	4,364,951	4,568,331	4,883,767	4,656,250	4,805,717	4,558,753
Business-type activities:									
	Food service	128,388	101,211	108,388	115,551	125,572	115,130	119,283	101,400
	Total business-type activities expense	128,388	101,211	108,388	115,551	125,572	115,130	119,283	101,400
	Total district expenses	\$ 4,187,121	\$ 4,262,742	\$ 4,473,339	\$ 4,683,882	\$ 5,009,339	\$ 4,771,380	\$ 4,925,000	\$ 4,660,153
Program Revenues:									
Governmental activities:									
	Operating grants and contributions	\$ 572,955	\$ 517,637	\$ 463,681	\$ 590,316	\$ 621,286	\$ 517,037	\$ 548,946	\$ 444,530
	Total governmental activities program revenues	572,955	517,637	463,681	590,316	621,286	517,037	548,946	444,530

(Continued)

Springfield Township School District
 Changes in Net Assets, Last Eight Fiscal Years
 (accrual basis of accounting)

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services:									
Food service	\$	76,602	79,359	78,386	78,896	82,538	87,090	81,596	79,556
Operating grants and contributions		21,610	18,882	19,751	22,604	22,127	23,422	27,973	21,467
Capital grants and contributions									
Total business type activities program revenues		<u>98,212</u>	<u>98,241</u>	<u>98,137</u>	<u>101,500</u>	<u>104,665</u>	<u>110,512</u>	<u>109,569</u>	<u>101,023</u>
Total district program revenues	\$	<u>671,167</u>	<u>615,878</u>	<u>561,818</u>	<u>691,816</u>	<u>725,951</u>	<u>627,549</u>	<u>658,515</u>	<u>545,553</u>
Net (Expense)/Revenue:									
Governmental activities	\$	(3,485,778)	(3,643,894)	(3,901,270)	(3,978,015)	(4,262,481)	(4,139,213)	(4,256,771)	(4,114,223)
Business-type activities		<u>(30,176)</u>	<u>(2,970)</u>	<u>(10,251)</u>	<u>(14,051)</u>	<u>(20,907)</u>	<u>(4,618)</u>	<u>(9,714)</u>	<u>(377)</u>
Total district-wide net expense	\$	<u>(3,515,954)</u>	<u>(3,646,864)</u>	<u>(3,911,521)</u>	<u>(3,992,066)</u>	<u>(4,283,388)</u>	<u>(4,143,831)</u>	<u>(4,266,485)</u>	<u>(4,114,600)</u>
General Revenues and Other Changes in Net Assets:									
Governmental activities:									
Property taxes levied for general purposes, net	\$	2,230,867	2,294,676	2,532,347	2,658,899	2,794,800	2,906,592	3,022,856	3,090,167
Taxes levied for debt service		159,513	160,757	161,631	158,670	152,003	145,354	138,688	139,929
Unrestricted grants and contributions		1,250,396	1,272,380	1,276,037	1,272,699	1,303,779	1,273,204	1,123,709	1,146,654
State aid restricted for capital projects			158,252	685					
Tuition					11,000	3,300			
Investment earnings		6,643	3,602	4,911	5,676	11,731	205	881	836
Miscellaneous income		25,177	45,014	44,352	41,718	25,245	40,402	82,926	50,365
Prior year receivables canceled					(19,402)				
Transfers		<u>(12,061)</u>	<u>(27,100)</u>	<u>(30,000)</u>	<u>(14,715)</u>	<u>(4,286)</u>	<u>(16,049)</u>		
Total governmental activities		<u>3,660,535</u>	<u>3,907,581</u>	<u>3,989,963</u>	<u>4,114,545</u>	<u>4,286,572</u>	<u>4,349,708</u>	<u>4,369,060</u>	<u>4,427,951</u>
Business-type activities:									
Investment earnings		88	289	449	1,031	888	95	298	220
Transfers		<u>12,061</u>	<u>27,100</u>	<u>30,000</u>	<u>14,715</u>	<u>4,286</u>	<u>16,049</u>		
Total business-type activities		<u>12,149</u>	<u>27,389</u>	<u>30,449</u>	<u>15,746</u>	<u>5,174</u>	<u>16,144</u>	<u>298</u>	<u>220</u>
Total district-wide	\$	<u>3,672,684</u>	<u>3,934,970</u>	<u>4,020,412</u>	<u>4,130,291</u>	<u>4,291,746</u>	<u>4,365,852</u>	<u>4,369,358</u>	<u>4,428,171</u>
Change in Net Assets:									
Governmental activities	\$	174,757	263,687	88,693	136,530	24,091	210,495	112,289	313,728
Business-type activities		<u>(18,027)</u>	<u>24,419</u>	<u>20,198</u>	<u>1,695</u>	<u>(15,733)</u>	<u>11,526</u>	<u>(9,416)</u>	<u>(157)</u>
Total district-wide	\$	<u>156,730</u>	<u>288,106</u>	<u>108,891</u>	<u>138,225</u>	<u>8,358</u>	<u>222,021</u>	<u>102,873</u>	<u>313,571</u>

District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Springfield Township School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years**
(modified accrual basis of accounting)

		Fiscal Year Ending June 30,							
		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
82	General Fund:								
	Restricted for:								
	Capital reserve	\$ 268,129	\$ 32,387	\$ 37,298	\$ 62,588	\$ 87,487	\$ 87,692	\$ 88,573	\$ 89,409
	Maintenance reserve					10,000	10,000	10,000	10,000
	Excess surplus	193,521	239,304	265,679	80,823	127,248	191,079	139,913	216,124
	Assigned for:								
	Year-end Encumbrances	22,593	145,326	89,599	87,152	33,518	24		
	Subsequent year's budget	309,383	195,611	239,304	265,679	155,823	165,000	196,821	275,256
	Unassigned	42,624	41,454	40,368	192,888	191,022	127,833	128,931	149,373
	Total general fund	<u>\$ 836,250</u>	<u>\$ 654,082</u>	<u>\$ 672,248</u>	<u>\$ 689,130</u>	<u>\$ 605,098</u>	<u>\$ 581,628</u>	<u>\$ 564,238</u>	<u>\$ 740,162</u>
All Other Governmental Funds									
Unreserved, reported in:									
Special revenue fund	\$ (516)	\$ (516)	\$ (516)	\$ (516)	\$ 1,604				
Capital projects fund		23,496	22,466						
Debt service fund				18	18	18			
Total all other governmental funds	<u>\$ (516)</u>	<u>\$ 22,980</u>	<u>\$ 21,950</u>	<u>\$ (498)</u>	<u>\$ 1,622</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>	

District was not required to follow GASB 34 reporting format until fiscal year 2004.

**Springfield Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	\$ 2,176,447	\$ 2,259,909	\$ 2,390,380	\$ 2,455,433	\$ 2,693,978	\$ 2,817,569	\$ 2,946,803	\$ 3,051,946	\$ 3,161,544	\$ 3,230,096
Tuition charges					3,627	11,000	3,300			
Interest earnings	17,187	11,772	6,843	3,602	4,911	5,676	11,731	205	881	836
Miscellaneous	25,534	13,955	25,177	45,014	40,725	41,718	25,246	40,402	82,926	50,365
State sources	1,324,792	1,397,690	1,523,599	1,729,584	1,633,942	1,760,081	1,773,883	1,624,065	1,340,066	1,470,509
Federal sources	98,414	92,986	299,752	218,686	106,461	102,934	135,958	166,176	332,589	120,675
Total revenue	3,642,374	3,776,312	4,245,551	4,452,319	4,483,644	4,738,978	4,896,921	4,882,794	4,918,006	4,872,481
Expenditures										
Instruction										
Regular instruction	1,135,916	1,239,913	1,302,924	1,243,779	1,248,361	1,206,919	1,248,517	1,332,191	1,315,671	1,281,391
Special education instruction	154,391	175,316	209,222	281,541	263,047	217,847	261,938	360,060	394,542	475,580
Other instruction	94,100	16,898	118,923	193,853	210,037	295,666	307,877	202,061	148,415	146,136
Support Services:										
Tuition	250,405	237,452	150,723	166,319	186,811	242,927	259,011	112,700	55,822	44,200
Student & instruction related services	317,679	331,311	400,088	366,719	347,366	348,722	364,397	378,735	579,310	471,046
General and business admin. services	241,312	230,854	251,786	265,959	267,585	275,618	312,841	367,857	364,375	330,601
School administrative services	86,351	90,172	96,132	94,979	82,301	87,571	101,458	95,419	95,263	78,640
Plant operations and maintenance	240,820	299,795	361,737	321,120	434,635	386,407	402,117	460,578	373,595	331,962
Pupil transportation	249,594	247,417	247,382	238,282	264,113	272,274	296,583	271,768	274,608	271,823
Other support services	500,551	611,916	711,760	788,018	886,700	1,122,250	1,189,602	1,013,574	1,079,529	1,066,298
Special Schools	14,829	25,003	19,179	13,130	11,915	13,529	12,099	10,503	10,027	10,652
Capital outlay	16,343	6,828	23,891	399,525	1,715	13,050		77,806	45,230	1,743
Debt service:										
Principal	135,000	145,000	155,000	165,000	175,000	180,000	180,000	180,000	180,000	179,000
Interest and other charges	88,722	81,567	73,882	65,667	56,922	47,647	38,107	28,567	19,027	9,487
Total expenditures	3,526,013	3,739,240	4,122,629	4,583,891	4,436,508	4,710,427	4,974,547	4,891,819	4,935,414	4,696,557
Excess (Deficiency) of revenues over (under) expenditures	116,361	37,072	122,922	(131,572)	47,136	28,551	(77,626)	(9,025)	(17,408)	175,924
Other Financing sources (uses)										
Prior Year receivables canceled	-	-	-	-	-	(19,402)				
Transfers in	-	-	-	260,873	-	19,615				
Transfers out	(15,832)	(14,000)	(12,061)	(287,973)	(30,000)	(34,330)	(4,286)	(16,049)		
Total other financing sources (uses)	(15,832)	(14,000)	(12,061)	(27,100)	(30,000)	(34,117)	(4,286)	(16,049)	-	-
Net change in fund balances	\$ 100,529	\$ 23,072	\$ 110,861	\$ (158,672)	\$ 17,136	\$ (5,566)	\$ (81,912)	\$ (25,074)	\$ (17,408)	\$ 175,924
Debt service as a percentage of noncapital expenditures	6.37%	6.07%	5.58%	5.51%	5.23%	4.85%	4.38%	4.33%	4.07%	4.01%

Source: District records

Springfield Township School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Summer Transportation Fees	Prior Year Refunds	Prior Year Outstanding Checks Canceled	Energy Audit	Tuition	Non Public Transportation	Miscellaneous	Total
2002	\$ 17,187	\$ 2,978	\$ 20,886					\$ 1,670	\$ 42,721
2003	11,772		12,905					1,050	25,727
2004	8,444		22,991					385	31,820
2005	20,414		28,202						48,616
2006	37,255		5,313			\$ 3,627	\$ 2,074	994	49,263
2007	44,319		2,750			11,000		325	58,394
2008	29,525		6,497			3,300		955	40,277
2009	7,522		30,088					2,997	40,607
2010	11,942	6,163	40,338	\$ 11,788	\$ 12,980			596	83,807
2011	8,821	5,574	32,231		\$ 3,033			1,542	51,201
	<u>\$ 197,201</u>	<u>\$ 14,715</u>	<u>\$ 202,201</u>	<u>\$ 11,788</u>	<u>\$ 16,013</u>	<u>\$ 17,927</u>	<u>\$ 2,074</u>	<u>\$ 10,514</u>	<u>\$ 472,433</u>

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Source: District records

Springfield Township School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2002	\$ 5,350,600	\$ 152,567,040	\$ 27,609,590	\$ 5,492,065	\$ 23,046,630	\$ 214,065,925	\$ 1,073,168	\$ 215,139,093	\$ 14,994,810	\$ 1.051	\$ 255,881,188
2003	4,372,300	157,514,640	28,100,390	5,266,665	23,168,230	218,422,225	1,030,463	219,452,688	15,852,610	1.089	288,999,079
2004	5,385,600	162,135,440	28,241,440	5,091,256	23,215,530	224,069,266	843,673	224,912,939	16,150,810	1.090	332,892,503
2005	8,580,660	317,304,800	49,095,100	6,827,463	46,738,980	428,547,003	1,226,822	429,773,825	27,606,650	0.627	370,817,678
2006	8,718,460	318,183,000	49,888,600	6,723,889	45,899,080	429,413,029	1,109,999	430,523,028	29,465,910	0.655	422,427,176
2007	7,222,300	321,869,600	52,533,150	6,777,679	45,265,980	433,668,709	1,038,693	434,707,402	29,612,810	0.678	481,778,051
2008	7,097,900	322,260,900	54,235,910	9,176,159	47,352,780	440,123,649	1,095,081	441,218,730	29,914,660	0.691	491,033,999
2009	7,384,000	322,920,700	55,634,310	9,881,839	48,041,580	443,862,429	1,189,150	445,051,579	30,819,610	0.711	505,358,815
2010	9,494,300	322,408,700	57,574,970	9,248,059	47,538,330	446,264,359	1,231,512	447,495,871	31,227,900	0.722	484,277,796
2011	8,829,800	321,062,500	59,498,670	7,845,835	47,213,330	444,450,135	1,058,600	445,508,735	34,025,700	0.729	Not available

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Source:
 Municipal Tax Assessor

Note:
 Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

Springfield Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

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Fiscal Year Ended June 30,	Springfield Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Springfield	Regional School	Burlington County	
2002	\$ 0.980	\$ 0.071	\$ 1.051	\$ 0.453	\$ 1.073	\$ 0.639	\$ 3.216
2003	1.018	0.071	1.089	0.500	1.215	0.670	3.474
2004	1.020	0.070	1.090	0.520	1.230	0.690	3.530
2005	0.590	0.037	0.627	0.286	0.692	0.394	1.999
2006	0.618	0.037	0.655	0.329	0.748	0.431	2.163
2007	0.642	0.036	0.678	0.352	0.782	0.468	2.280
2008	0.655	0.036	0.691	0.366	0.727	0.433	2.217
2009	0.681	0.030	0.711	0.379	0.687	0.432	2.209
2010	0.692	0.030	0.722	0.378	0.699	0.412	2.211
2011	0.729	-	0.729	0.398	0.728	0.391	2.246

Source: Municipal Tax Collector

**Springfield Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Taxpayer	2010-2011		Taxpayer	2001-2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Columbus Farmers Market	\$ 8,748,900	1.96%	Columbus Farmers Market	\$ 2,816,550	1.31%
Mijo Corporation	3,054,400	0.68%	Helis Enterprises	2,459,150	1.14%
Helis Enterprise	2,388,150	0.53%	Mijo Corporation	2,081,000	0.97%
Transcontinental Pipeline	2,251,630	0.50%	Interstate Storage & Pipeline	1,264,500	0.59%
K&P Ganesh Corp.	2,072,900	0.46%	Colonial Pipeline	1,223,000	0.57%
Tilghman, Joseph	1,798,300	0.40%	Verizon	1,158,339	0.54%
Eastern Organic	1,524,530	0.34%	Sohio Pipe Line Co.	775,000	0.36%
Verizon	1,379,184	0.31%	Robert Schwarzwalder	763,600	0.35%
Store & Lock Self Storage	1,310,000	0.29%	Joseph Tilghman	734,900	0.34%
Interstate Storage & Pipeline	1,279,340	0.29%	Anne Stevenson	728,300	0.34%
Total	\$ 25,807,334	5.77%		\$ 14,004,339	6.51%

Source: Municipal Tax Assessor

**Springfield Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2002	\$ 2,176,447	\$ 2,176,447	100.00%	-
2003	2,259,909	2,259,909	100.00%	-
2004	2,390,380	2,390,380	100.00%	-
2005	2,455,433	2,455,433	100.00%	-
2006	2,693,978	2,693,978	100.00%	-
2007	2,817,569	2,817,569	100.00%	-
2008	2,946,803	2,946,803	100.00%	-
2009	3,051,946	3,051,946	100.00%	-
2010	3,161,544	3,161,544	100.00%	-
2011	3,230,096	3,230,096	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Springfield Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases	Total District		
2002	\$ 1,539,000	\$ 46,256	\$ -	\$ -	\$ 1,585,256	1.29%	\$ 477
2003	1,394,000	31,279	-	-	1,425,279	1.12%	418
2004	1,239,000	19,132	-	-	1,258,132	0.95%	361
2005	1,074,000	10,182	-	-	1,084,182	0.78%	309
2006	899,000	802	-	-	899,802	0.63%	255
2007	719,000	-	-	-	719,000	0.47%	203
2008	539,000	-	-	-	539,000	0.34%	155
2009	359,000	-	-	-	359,000	0.22%	104
2010	179,000	-	-	-	179,000	0.11%	52
2011	-	-	-	-	-	-	-

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

Springfield Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2002	\$ 1,539,000	\$ -	\$ 1,539,000	0.72%	\$ 477
2003	1,394,000	-	1,394,000	0.64%	418
2004	1,239,000	-	1,239,000	0.55%	361
2005	1,074,000	-	1,074,000	0.25%	309
2006	899,000	-	899,000	0.21%	255
2007	719,000	-	719,000	0.17%	203
2008	539,000	-	539,000	0.12%	155
2009	359,000	-	359,000	0.08%	104
2010	179,000	-	179,000	0.04%	52
2011	-	-	-	-	-

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Springfield Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Springfield	\$ 4,885,285 (1)	100.000%	\$ 4,885,285
Burlington County General Obligation Debt	379,858,498 (1)	1.106% (2)	4,201,235
Northern Burlington County Regional School District	25,506,000 (1)	15.924% (2)	4,061,575
			<hr/>
Subtotal, overlapping debt			13,148,095
Springfield Township School District Direct Debt			<hr/> -
Total direct and overlapping debt			<u><u>\$ 13,148,095</u></u>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2010 Equalized Valuation. The source for this computation was the 2010 County Abstract of Ratables, provided by the County Board of Taxation.

**Springfield Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis (1)
	2008 \$ 497,933,758
	2009 478,403,135
	2010 458,365,200
	<u>\$ 1,434,702,093</u>
	Average equalized valuation of taxable property \$ 478,234,031
	Debt limit (2.5% of average equalized valuation) (2) 11,955,851
	Net bonded school debt (3) -
	<u>Legal debt margin \$ 11,955,851</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 5,656,826	\$ 6,282,858	\$ 7,097,923	\$ 8,086,920	\$ 11,083,996	\$ 12,604,230	\$ 13,738,148	\$ 12,108,336	\$ 12,143,133	\$ 11,955,851
Total net debt applicable to limit (3)	<u>1,539,000</u>	<u>1,394,000</u>	<u>1,239,000</u>	<u>1,074,000</u>	<u>899,000</u>	<u>719,000</u>	<u>539,000</u>	<u>359,000</u>	<u>179,000</u>	<u>-</u>
Legal debt margin	<u>\$ 4,117,826</u>	<u>\$ 4,888,858</u>	<u>\$ 5,858,923</u>	<u>\$ 7,012,920</u>	<u>\$ 10,184,996</u>	<u>\$ 11,885,230</u>	<u>\$ 13,199,148</u>	<u>\$ 11,749,336</u>	<u>\$ 11,964,133</u>	<u>\$ 11,955,851</u>
Total net debt applicable to the limit as a percentage of debt limit	27.21%	22.19%	17.46%	13.28%	8.11%	5.70%	3.92%	2.96%	1.47%	0.00%

Sources:

- (1) Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 6 district.
- (3) District Records

**Springfield Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

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<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2001	3,322	\$ 122,621,664	\$ 36,912	2.7%
2002	3,411	127,226,889	37,299	3.9%
2003	3,488	132,481,216	37,982	3.9%
2004	3,513	139,135,878	39,606	3.6%
2005	3,522	143,679,990	40,795	4.1%
2006	3,539	154,126,989	43,551	3.9%
2007	3,487	158,529,481	45,463	3.5%
2008	3,466	162,791,088	46,968	4.8%
2009	3,454	160,666,264	46,516	8.3%
2010	3,454	e	e	8.8%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Springfield Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

J-16

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	21.88	22.37	21.20	18.39	18.24	18.30	21.90	21.24	22.60	24.30
Special education	4.85	3.95	5.41	7.85	8.00	7.10	7.10	5.67	5.00	8.30
Other special education	0.62	1.60	1.60	1.60	1.81	1.50	1.50	5.07	8.50	5.00
Other instruction					0.63					
Support Services:										
Student & instruction related services	5.46	5.16	7.87	8.19	8.63	11.00	11.00	8.72	5.40	3.30
School administrative services	3.57	3.35	3.36	3.06	2.26	2.30	2.30	2.30	2.30	3.40
General and business administrative services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.80
Plant operations and maintenance	4.70	4.67	5.91	4.70	5.61	5.80	5.30	4.50	4.50	4.50
Pupil transportation	0.76	0.80	1.00	0.70	0.55	1.00	1.00	1.00	1.00	1.00
Business and other support services	1.40	1.40	1.40	1.00	1.10	1.10	1.10	1.10	1.10	1.60
Child Care	1.92	1.81	1.99	3.56	0.16					
Total	<u>46.16</u>	<u>46.11</u>	<u>50.74</u>	<u>50.05</u>	<u>47.99</u>	<u>49.10</u>	<u>52.20</u>	<u>50.20</u>	<u>51.00</u>	<u>52.20</u>

Source:
District Personnel Records

Springfield Township School District
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	336	\$ 3,384,948	\$ 10,074.25	-8.40%	34	1:11	328.2	315.5	-1.85%	96.13%
2003	331	3,505,845	10,591.68	5.14%	33	1:10	324.0	310.4	-1.28%	95.80%
2004	324	3,869,856	11,944.00	12.77%	32	1:11	320.6	308.1	-1.05%	96.10%
2005	324	3,953,699	12,202.77	2.17%	32	1:12	330.9	318.4	3.21%	96.22%
2006	324	4,202,871	12,971.82	6.30%	32	1:10	312.1	310.4	-5.68%	99.46%
2007	322	4,469,730	13,881.15	7.01%	25	1:12	310.2	296.8	-0.60%	95.68%
2008	319	4,756,440	14,910.47	7.42%	28	1:11	306.3	295.7	-1.25%	96.54%
2009	309	4,605,446	14,904.36	-0.04%	27	1:11	308.6	296.2	0.75%	95.98%
2010	300	4,691,157	15,637.19	4.92%	27	1:11	299.8	287.8	-2.85%	96.00%
2011	290	4,506,327	15,539.06	-0.63%	32	1:09	289.4	278.9	-3.47%	96.37%

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).

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

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	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>District Building</u>										
<u>Elementary</u>										
Springfield Township Elementary (1939)										
Square Feet	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320
Capacity (students)	432	432	432	432	432	432	432	432	432	433
Enrollment	336	331	324	324	324	322	319	309	300	290
<u>Other</u>										
Athletic Building (1979)										
Square Feet	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120
Number of Schools at June 30, 2011										
Elementary = 1										
Middle School = 0										
Senior High School = 0										
Other = 0										

Source: District Facilities Office

Springfield Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
* School Facilities											
Springfield Public School	\$ 68,086	\$ 62,370	\$ 99,404	\$ 41,248	\$ 112,398	\$ 92,413	\$ 72,624	\$ 51,718	\$ 96,349	\$ 140,202	\$ 836,812
Project # (s)											
Total School Facilities	<u>\$ 68,086</u>	<u>\$ 62,370</u>	<u>\$ 99,404</u>	<u>\$ 41,248</u>	<u>\$ 112,398</u>	<u>\$ 92,413</u>	<u>\$ 72,624</u>	<u>\$ 51,718</u>	<u>\$ 96,349</u>	<u>\$ 140,202</u>	<u>\$ 836,812</u>

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* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**Springfield Township School District
Insurance Schedule
June 30, 2011**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 150,000,000	\$ 200,000	\$ 500
Boiler and Machinery	125,000		1,000
General and Automobile Liability	10,000,000	150,000	500
Workers' Compensation	Statutory	250,000	
Crime Coverage	500,000	200,000	500
Educators Legal Liability	10,000,000	100,000	
Pollution Liability	3,000,000		25,000
 Volunteer Accident and Health (2)	 1,000,000		
 Surety Bonds (3)			
Treasurer	155,000		
Board Secretary	100,000		

- (1) Burlington County Insurance Pool Joint Insurance Fund
- (2) NationalUnion Fire Insurance
- (3) Selective Insurance Company

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited Springfield Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2011. The School District'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 School District's management. Our responsibility is to express an opinion on the School District'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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards 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 state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the Springfield Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as items #2011-1.

Internal Control Over Compliance

Management of the Springfield Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The Springfield Township School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit School District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management, the Board of Education, others within the School District, the Division of Finance, Department of Education, State of New Jersey, and other federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
July 31, 2011

SPRINGFIELD TOWNSHIP 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	Program or Award Amount	Grant Period	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I:													
Fiscal Year 2011	84.010A	NCLB501011	\$ 9,680	9/1/10 - 8/31/11				\$ (8,144)		\$ (9,680)	\$ 1,536		
Title II A:													
Fiscal Year 2011	84.367A	NCLB501011	6,732	9/1/10 - 8/31/11				(4,816)		(6,732)	1,916		
Title II D:													
Fiscal Year 2011	84.318X	NCLB501011	22	9/1/10 - 8/31/11						(22)	22		
I.D.E.A. Part B - Basic:													
Fiscal Year 2011	84.027	FT501011	78,710	9/1/10 - 8/31/11			\$ 64,701	(78,710)		(14,009)			
I.D.E.A. Preschool:													
Fiscal Year 2011	84.027	PSH501011	4,803	9/1/10 - 8/31/11						(4,803)	4,803		
ARRA - I.D.E.A. Part B - Preschool													
Fiscal Year 2010	84.392	PSH501010	2,544	9/1/09 - 8/31/10	\$ (196)		196						
Rural Education Achievement Program													
Fiscal Year 2011	84.358C	S358A086817	37,112	9/1/10 - 8/31/11				(29,005)		(37,112)	8,107		
Total U.S. Department of Education								64,897	(120,675)		16,384		
					(196)					(72,358)			
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
Food Distribution Program:													
Fiscal Year 2011	10.555	N/A	4,153	7/1/10 - 6/30/11			4,153	(4,153)					
National School Lunch Program													
Fiscal Year 2011	10.555	N/A	15,709	7/1/10 - 6/30/11			14,558	(15,709)		(1,151)			
Fiscal Year 2010	10.555	N/A	17,024	7/1/09 - 6/30/10	(1,416)		1,416						
Special Milk Program:													
Fiscal Year 2011	10.556	N/A	509	7/1/10 - 6/30/11			509	(509)					
Total U.S. Department of Agriculture								20,636	(20,371)		(1,151)		
					(1,416)								
Total Federal Awards					\$ (1,612)	\$ -	\$ -	\$ 85,533	\$ (141,046)	\$ -	\$ (73,509)	\$ 16,384	\$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance at June 30, 2010			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2011		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Special Education Categorical Aid	11-495-034-5120-089	\$ 151,566	7/1/10- 6/30/11				\$ 151,566	\$ (151,566)				
Equalization Aid	11-495-034-5120-078	768,206	7/1/10- 6/30/11				663,055	(768,206)		\$ (105,151)		
Equalization Aid	10-495-034-5120-078	780,679	7/1/09- 6/30/10	\$ (131,412)			131,412					
Security Aid	11-495-034-5120-084	22,283	7/1/10- 6/30/11				22,283	(22,283)				
Adjustment Aid	11-495-034-5120-085	34,352	7/1/10- 6/30/11				34,352	(34,352)				
Transportation Aid	11-495-034-5120-014	139,462	7/1/10- 6/30/11				139,462	(139,462)				
Extraordinary Aid	10-495-034-5120-044	6,256	7/1/09- 6/30/10	(6,256)			6,256					
Nonpublic Transportation Aid	11-495-034-5120-014	4,524	7/1/10- 6/30/11					(4,524)		(4,524)		
Nonpublic Transportation Aid	10-495-034-5120-014	4,087	7/1/09- 6/30/10	(4,087)			4,087					
On-behalf TPAF Pension Contribution	11-100-034-5095-001	136,851	7/1/10- 6/30/11				136,851	(136,851)				
Reimbursed TPAF Social Security Contr.	11-100-034-5095-002	138,446	7/1/10- 6/30/11				138,446	(138,446)				
Reimbursed TPAF Social Security Contr.	10-100-034-5095-051	161,919	7/1/09- 6/30/10	(8,046)			8,046					
Total General Fund				(149,801)			1,435,816	(1,395,690)		(109,675)		
Special Revenue Fund:												
NJ Nonpublic Aid:												
Auxiliary Services:												
Compensatory Education	11-100-034-5120-067	4,131	7/1/10- 6/30/11				4,131					\$ 4,131
Compensatory Education	10-100-034-5120-067	2,816	7/1/09- 6/30/10			\$ 2,816		\$ (2,816)				
Nursing	11-100-034-5120-070	741	7/1/10- 6/30/11				741					741
Nursing	10-100-034-5120-070	1,853	7/1/09- 6/30/10			1,853		(1,853)				
Textbook	11-100-034-5120-064	625	7/1/10- 6/30/11				625					625
Textbook	10-100-034-5120-064	1,562	7/1/09- 6/30/10			1,562		(1,562)				
Total Special Revenue Fund						6,231	5,497	(6,231)				5,497
Debt Service Fund:												
Debt Service Aid Type II	11-495-034-5120-017	48,558	7/1/10- 6/30/11				48,558	(48,558)				
Total Department of Education				(149,801)		6,231	1,489,871	(1,444,248)	(6,231)	(109,675)		5,497
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)												
Fiscal Year 2011	11-100-010-3350-023	1,096	7/1/10- 6/30/11				1,009	(1,096)		(87)		
Fiscal Year 2010	10-100-010-3360-067	1,347	7/1/09- 6/30/10	(111)			111					
Total Department of Agriculture				(111)			1,120	(1,096)		(87)		
Total State Financial Assistance				\$ (149,912)	\$ -	\$ 6,231	\$ 1,490,991	\$ (1,445,344)	\$ (6,231)	\$ (109,762)	\$ -	\$ 5,497

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Springfield Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Springfield Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$26,261 for the general fund and \$0 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,421,951	\$ 1,421,951
Special Revenue Fund	\$ 120,675		120,675
Capital Projects Fund			0
Debt Service Fund		48,558	48,558
Food Service Fund	<u>20,371</u>	<u>1,096</u>	<u>21,467</u>
Total Awards & Financial Assistance	<u>\$ 141,046</u>	<u>\$ 1,471,605</u>	<u>\$ 1,612,651</u>

**Springfield Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011
(Continued)**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School 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.

6. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

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

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding #2011-1

Condition:

The Treasurer's bank reconciliations are not agreed to the Board Secretary's records.

Criteria:

The Treasurer of School Monies is responsible for the reconciliation of the School District's bank accounts. All transactions recorded by the business office should be included in this reconciliation. Any transaction posted to the bank statement but not recorded by the business office should be investigated by the Treasurer of School Monies.

Effect:

Transactions for the June 17th and 30th payroll were not properly recorded by the business office, however the proper amount was included on the bank statement.

Cause:

Bank reconciliations are being performed based on transactions which have posted to the bank statement. There is not a complete and accurate reconciliation to the financial records of the business office.

Recommendation:

That all bank reconciliations prepared by the Treasurer of School Monies be complete and be reconciled to the records maintained by the business office.

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

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

***Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

Finding #2011-1

Information on state program:

Equalization Aid; GMIS No. 11-495-034-5120-078; State Department of Education.

Criteria or specific requirement:

N.J.S.A. 18A:17-9 and 18A:17-36 requires that the Board Secretary's Report and the Treasurer's Report be in agreement and be filed with the Board of Education on a monthly basis.

Condition:

The Board Secretary's Reports were not reconciled to the Treasurer's reports on a monthly basis.

Questioned Costs:

None

Context:

Discrepancies between the Treasurer's bank reconciliation and the Board Secretary's Report were not investigated.

Effect:

Violation of N.J.S.A. 18A:17-9 and 18A:17-36.

Cause:

There appears to be a lack of communication between the Treasurer of School Monies and the Interim Board Secretary.

Recommendation:

The Board Secretary's Report and the Treasurer's Report should be balanced on a monthly basis.

Management's response:

Management agrees with the above finding and will address the matter as part of their corrective action plan.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2011**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.