

**THE TOWNSHIP OF SPRINGFIELD
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2015

**SCHOOL DISTRICT
OF
THE TOWNSHIP OF SPRINGFIELD**

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

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015***

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION

SPRINGFIELD, NEW JERSEY

For the Fiscal Year Ended June 30, 2015

Prepared by

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

STATE BOARD OF EDUCATION

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JOSEPH FISICARO..... Vice President	Burlington
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**David C. Hespe, Commissioner of Education
Secretary, State Board of Education**

**THE TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
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INTRODUCTORY SECTION

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

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

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

November 30, 2015

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR), of the Township of Springfield School District for the fiscal year ended June 30, 2015. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this financial reporting model as required by the State of New Jersey. This reporting model will provide all users of this document with much more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Springfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Township of Springfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as, special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 2,293 students, which is 18 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seventeen years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	2,293	(0.008)%
2013-14	2,311	2.67%
2012-13	2,251	3.64%
2011-12	2,172	(0.006)%
2010-11	2,185	(0.003)%
2009-10	2,192	6.10%
2008-09	2,066	0.54%
2007-08	2,055	(0.58)%
2006-07	2,067	(0.19)%
2005-06	2,071	(0.96)%
2004-05	2,091	2.55%
2003-04	2,039	1.69%
2002-03	2,005	4.26%
2001-02	1,923	3.67%
2000-01	1,855	2.49%
1999-00	1,810	1.51%
1998-99	1,783	2.41%
1997-98 *	1,741	37.63%
1996-97	1,265	3.27%

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

2) ECONOMIC CONDITION AND OUTLOOK: Springfield Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, and enrollment increasing, the financial impact has begun to negatively impact the school tax levy pushing it to a higher proportion of the total tax levy. This fiscal year saw no increase of state formula aid, and remains at 3/5th of the amount provided during the 2009-10 school year. These factors have created a heavy dependence on local tax revenue to support the schools.

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

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is

organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9) OTHER INFORMATION:

A) INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cannone & Company, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

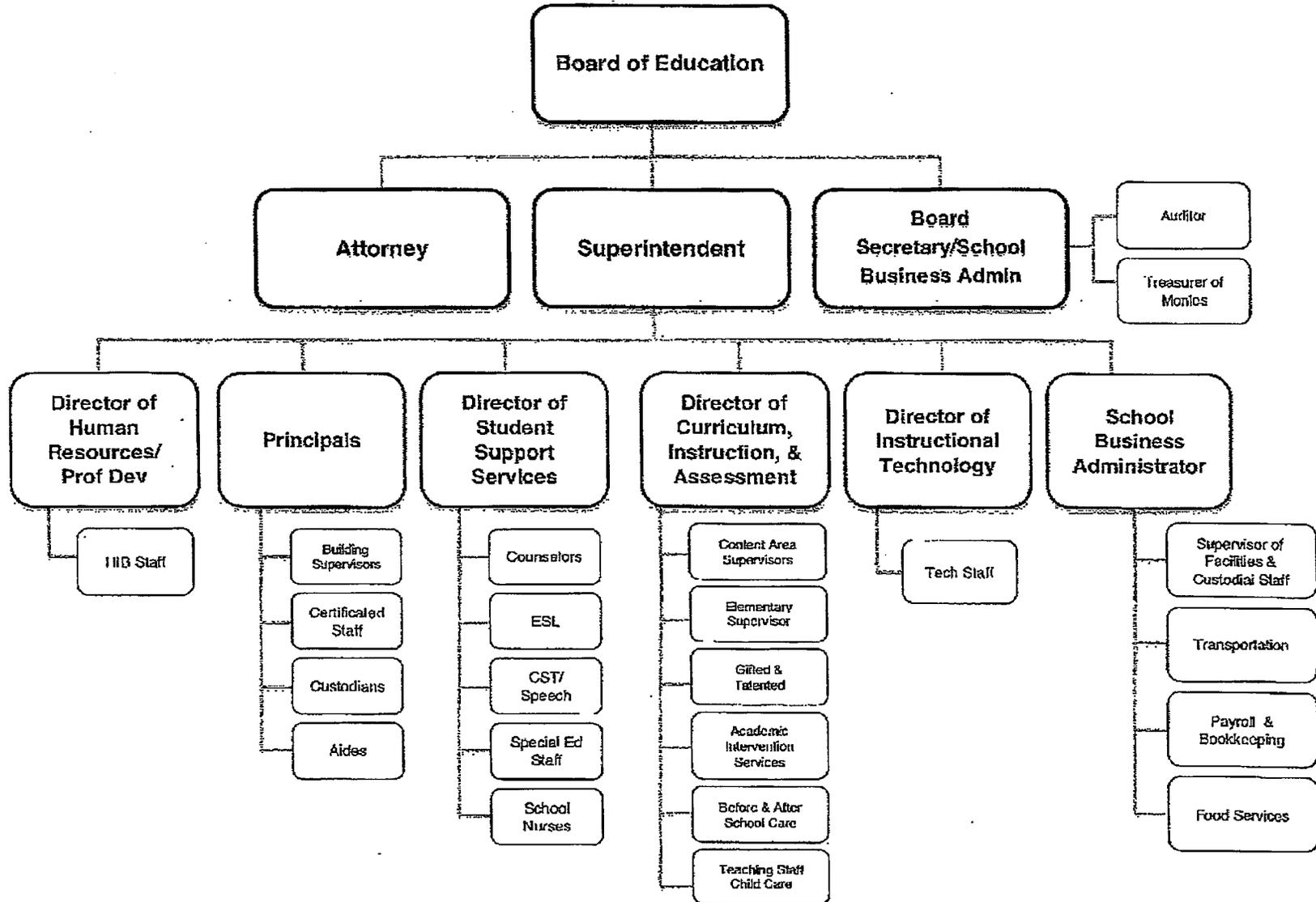


Michael Davino
Superintendent



Matthew A. Clarke
School Business Administrator/
Board Secretary

SPRINGFIELD BOARD OF EDUCATION ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robin Cornelison	2015
Scott Donner	2016
Marc Miller	2017
Dermot McLeer	2015
Jacqueline Shanes	2015
Scott Silverstein, President	2016
Patricia Venezia	2016
Steven Wolcott, Vice President	2017
Elisa Zylbershlag	2017

Other Officials

Michael Davino, Superintendent

Matthew A. Clarke, School Business Administrator/Board Secretary

Manuel Vieira, Treasurer

THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY

CONSULTANTS AND ADVISORS
June 30, 2015

Architect

Design Idea Group
15 Bethany Street
New Brunswick, NJ 08901

Audit Firm

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

Attorneys

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

Engineers

Pennoni Associates, Inc.
105 Fieldcrest Avenue
Suite 502
Edison, NJ 08837

Official Depository

Investor Savings Bank
State Street Bank & Trust – New Jersey Cash Management

FINANCIAL SECTION

Certified Public Accountants

485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Township of Springfield School District Board of Education, in the County of Union, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 61 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying introductory section, combining fund financial statements, financial schedules and statistical information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of Township of Springfield School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Springfield School District Board of Education's internal control over financial reporting and compliance.



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

November 30, 2015

***REQUIRED SUPPLEMENTARY INFORMATION
PART I***

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

The discussion and analysis of Springfield School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GAS B) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net assets increased \$5,910,260, which represents a 28.9 percent decrease from 2014.
- General revenues accounted for \$35,575,244 in revenue or 78.1 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,305,432 or 21.9 percent of total revenues of \$41,705,188.
- Total assets of governmental activities totaled \$42,344,660 as unrestricted cash and cash equivalents totaled \$3,181,428, receivables totaled \$857,947, restricted assets totaled \$2,462,584, other assets totaled \$0 and net capital assets totaled \$33,896,949.
- The School District had \$41,216,910 in expenses; only \$5,305,432 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$36,925,092 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$41,186,053 in revenues and \$39,918,227 in expenditures. The General Fund's fund balance increased \$1,267,826 over 2014. This increase was anticipated by the Board of Education.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2015?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of *accounting* takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements are part of this report.

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2015 and comparison data for 2014.

	2014	2015
Assets		
Current and Other Assets	\$ 6,382,259	\$ 9,047,329
Capital Assets	30,676,379	33,896,949
Total Assets	\$ 37,058,638	\$ 42,944,278
Liabilities		
Long-term Liabilities	\$ 9,394,771	\$ 10,677,335
Other Liabilities	1,312,155	1,278,587
Total Liabilities	\$ 10,706,926	\$ 11,955,922
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 21,804,160	\$ 26,150,476
Restricted	2,875,119	7,191,747
Unrestricted	1,672,433	-12,900,771
Total Net Assets	\$ 26,351,712	\$ 20,441,452

Table 1 Net Assets

The District's combined net assets were \$20,441,452 on June 30, 2015. Total assets decreased by \$5,910,260 from the previous year, 2014. Total liabilities increased by \$1,248,996 from the previous year, 2014. In total, the net assets increased by \$5,885,640 from the 2014 year.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

Table 2 shows changes in net assets for fiscal year 2015 and revenue and expense comparisons to fiscal year 2014.

Table 2

	<i>2014</i>	<i>2015</i>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,356,668	\$ 1,298,894
Operating Grants and Contributions	3,494,787	4,006,538
General Revenues:		
Property Taxes	34,672,385	36,925,092
Grants and Entitlements	1,624,296	1,557,155
Other	972,560	1,022,969
GASB 68	0.00	-9,992,276
Total Revenues	37,269,241	\$ 20,441,452
Program Expenses		
Instruction	21,379,300	\$ 22,301,894
Support Services:		
Pupils and Instructional Staff	6,885,718	\$ 6,861,675
General Administration, School Administration, Business Operations and Maintenance of Facilities	7,308,665	8,338,234
Pupil Transportation	1,689,880	1,578,585
Special Schools	59,818	60,235
Interest on Debt	249,494	261,717
Food Service & Before/Aftercare	1,312,955	1,184,723
Total Expenses	38,885,830	\$ 40,587,063
Increase (Decrease) in Net Assets	(71,645)	\$ (5,910,260)

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

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

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

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

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

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

On the revenue side, property taxes increased by \$2,252,707 (which included voter approved construction for debt of \$992,595) from the previous year 2014.

On the expense side, interest on debt increased by \$261,717.

Overall, net assets decreased by \$5,910,260 from the previous year 2014.

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 86.2 percent of revenues for governmental activities for the Springfield School District for fiscal year 2015. The District's total revenues were \$43,393,571 for the year ended June 30, 2015. Federal, state, and local grants accounted for another 13.8 percent of revenue.

Business-Type Activities

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

- Food service revenues received were \$514,973. A increase of \$5,466 from the previous year 2014.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$147,775.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$43,393,571 and expenditures were \$43,150,673. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$242,898.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage for those revenues.

<i>Revenue</i>	<i>2014</i>		<i>2015</i>	
	<i>Amount</i>	<i>Percent of Total</i>	<i>Amount</i>	<i>Percent of Total</i>
Local sources	\$35,135,723	87.5	\$37,489,375	86.4
State Sources	4,439,084	11.1	5,243,023	12.1
Federal Sources	549,105	1.4	661,173	1.5
Total	\$40,123,912	100.00	\$43,393,571	100.00

Local revenues were the largest component of Total Revenues. The Local Tax Levy of \$36,925,092 represented 98.5 percent of the local source of revenues.

State sources largest component was for non-budgeted unallocated benefits, \$3,132,596 which represented 59.7% of the state source of revenues.

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

General Fund Budgeting Highlights

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

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

Capital Assets

At the end of the fiscal year 2015, the School District had \$33,896,949 invested in land, building, furniture and equipment, and vehicles.

Overall capital assets (net) increased \$3,220,570 from fiscal year 2014 to fiscal year 2015. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2015, the School District had \$11,841,984 of outstanding debt. Of this amount, \$1,720,511 is for compensated absences; \$3,361,473 for various capital leases, and \$6,760,000 of serial bonds for school construction.

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

For the Future

The Springfield School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding allocation continues to lag in comparison to the 2008-09 State funding allocation.

Springfield School District's budget for 2015-16 was passed by the Board of Education, staying within the State mandated CAP. Springfield historically has stayed within the State CAP, continues to be fiscally responsible and looks for efficiencies in all aspects of school business.

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 UNAUDITED

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

Springfield Board of Education
Statement of Net Position
6/30/2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,181,428	\$ 572,928	\$ 3,754,356
Investments			-
Receivables, net	857,947	20,820	878,767
Inventory		5,870	5,870
Restricted assets:			
Cash and cash equivalents	2,462,584		2,462,584
Capital reserve account - cash	1,945,752		1,945,752
Capital assets, net (Note 4):	33,896,949		33,896,949
Other assets			-
Total Assets	<u>42,344,660</u>	<u>599,618</u>	<u>42,944,278</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable		11,454	11,454
Accrued Interest Expense	45,230		45,230
Deposits payable			-
Payable to federal government			-
Payable to state government	43,307		43,307
Payable to local government			-
Deferred revenue		13,947	13,947
Proportionate share of pension plan liability	10,033,440		
Pension plan deferred inflows/outflows of resources (net)	513,464		
Noncurrent liabilities (Note 5):			
Due within one year	1,164,649		1,164,649
Due beyond one year	10,677,335		10,677,335
Total liabilities	<u>22,477,425</u>	<u>25,401</u>	<u>11,955,922</u>
NET ASSETS			
Invested in capital assets, net of related debt	26,150,476		26,150,476
Restricted for:			
Debt service	-		-
Capital projects	4,569,374		4,569,374
Other purposes	2,622,373		2,622,373
Unrestricted(Deficit)	(13,474,988)	574,217	(12,900,771)
Total net assets	<u>\$ 19,867,235</u>	<u>\$ 574,217</u>	<u>\$ 20,441,452</u>

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

Springfield Board of Education
Statement of Activities
For the Year Ended June 30, 2015

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	\$ 15,623,930		\$ 1,778,299		\$ (13,845,631)		\$ (13,845,631)
Special education	5,281,962		884,276		(4,397,686)		(4,397,686)
Other special instruction	514,988		75,258		(439,730)		(439,730)
Vocational					-		-
Other instruction	881,014		18,814		(862,200)		(862,200)
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	2,651,902	72,993			(2,578,909)		(2,578,909)
Student & instruction related services	4,209,773		424,798		(3,784,975)		(3,784,975)
School administrative services	1,667,121		131,701		(1,535,420)		(1,535,420)
General and business administrative serv	933,654		37,629		(896,025)		(896,025)
Plant operations and maintenance	5,136,202	17,675	376,288	488,278	(4,253,961)		(4,253,961)
Pupil transportation	1,578,585	19,234	65,850		(1,493,501)		(1,493,501)
Business and other support services	601,257		65,850		(535,407)		(535,407)
Special schools	60,235				(60,235)		(60,235)
Proportionate share of pension plan expense	554,628				(554,628)		(554,628)
Compensated absences	75,219				(75,219)		(75,219)
Interest on long-term debt	261,717				(261,717)		(261,717)
Unallocated depreciation					-		-
Total governmental activities	<u>40,032,187</u>	<u>109,902</u>	<u>3,858,763</u>	<u>488,278</u>	<u>(35,575,244)</u>	<u>-</u>	<u>(35,575,244)</u>
Business-type activities:							
Food Service	570,216	514,973	147,775			92,532	92,532
Before/After Care	614,507	674,019				59,512	59,512
Total business-type activities	<u>1,184,723</u>	<u>1,188,992</u>	<u>147,775</u>	<u>-</u>	<u>-</u>	<u>152,044</u>	<u>152,044</u>
Total primary government	<u>\$ 41,216,910</u>	<u>\$ 1,298,894</u>	<u>\$ 4,006,538</u>	<u>\$ 488,278</u>	<u>\$ (35,575,244)</u>	<u>\$ 152,044</u>	<u>\$ (35,423,200)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 35,932,497		\$ 35,932,497
Taxes levied for debt service					992,595		992,595
Federal and State aid not restricted					1,557,155		1,557,155
Investment Earnings					80,326	6,421	86,747
Miscellaneous Revenues					374,055	-	374,055
Adjustments:							
GASB # 68 Prior Period Adjustment - Pension Plan					(9,992,276)		(9,992,276)
Fixed asset adjustments					206,421		206,421
Repayment of bond principal (net)					-		-
Capital lease payments					355,746		355,746
Interest expense					-		-
Total general revenues, special items, extraordinary items and transfers					<u>29,506,519</u>	<u>6,421</u>	<u>29,512,940</u>
Change in Net Assets					<u>(6,068,725)</u>	<u>158,465</u>	<u>(5,910,260)</u>
Net Assets—beginning					<u>25,935,960</u>	<u>415,752</u>	<u>26,351,712</u>
Net Assets—ending					<u>\$ 19,867,235</u>	<u>\$ 574,217</u>	<u>\$ 20,441,452</u>

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

**Springfield Board of Education
Balance Sheet
Governmental Funds
June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	3,058,654	(273,095)	395,869	0	3,181,428
Investments					0
Capital Reserve Account	1,945,752				1,945,752
Receivables, net					0
Due from other funds	80,179				80,179
Receivables - State	446,197	3,781	95,348		545,326
Receivables - Federal		312,621			312,621
Accounts Receivable - Other					0
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	250,000		2,212,584		2,462,584
Other assets					0
	<u>5,780,782</u>	<u>43,307</u>	<u>2,703,801</u>	<u>0</u>	<u>8,527,890</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					0
Accrued Interest					0
Interfund payable			80,179		80,179
Payable to federal government					0
Payable to state government		43,307			43,307
Payable to local government					0
Deferred revenue					0
Total liabilities	<u>0</u>	<u>43,307</u>	<u>80,179</u>	<u>0</u>	<u>123,486</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for					
Subsequent Year's Expenditures	159,789				159,789
Reserve for Excess Surplus	0				0
Maintenance Reserve	250,000				250,000
ESIP Escrow - Purchase Fund			2,212,584		2,212,584
Reserve for Capital Reserve	1,945,752		0		1,945,752
Committed Fund Balance					0
Reserve for Impact Aid					0
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	181,061				181,061
Reserve for encumbrances	2,374,665		13,698		2,388,363
Unrestricted Fund Balance	<u>869,515</u>		<u>397,340</u>		<u>1,266,855</u>
Total Fund balances	<u>5,780,782</u>	<u>0</u>	<u>2,623,622</u>	<u>0</u>	<u>8,404,404</u>
Total liabilities and fund balances	<u>5,780,782</u>	<u>43,307</u>	<u>2,703,801</u>	<u>0</u>	

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

Interest expense in the governmental funds is reported when due.

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

(45,230)

GASB #68 Prior Period Adjustment

(9,992,276)

Proportionate Share Pension Plan Expense

(554,628)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,868,806 and the accumulated depreciation is \$14,971,857. (See Note 4)

33,896,949

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

(11,841,984)

Net assets of governmental activities

19,867,235

Springfield Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	35,932,497			\$ 992,595	\$ 36,925,092
Transportation Fees	19,234				19,234
Rental Facilities	17,675				17,675
Interest on Investments	79,848		478		80,326
Tuition charges	72,993				72,993
Miscellaneous	374,055				374,055
Total - Local Sources	36,496,302	-	478	992,595	37,489,375
State sources	4,689,751	64,994	488,278		5,243,023
Federal sources		661,173			661,173
Total revenues	41,186,053	726,167	488,756	992,595	43,393,571
EXPENDITURES					
Current:					
Regular instruction	11,162,482	423,663			11,586,145
Special education instruction	2,645,072				2,645,072
Other special instruction	290,667				290,667
Vocational education					-
Other instruction	824,934				824,934
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	2,651,902				2,651,902
Student & instruction related services	3,542,747	302,504			3,845,251
School administrative services	1,270,469				1,270,469
Other administrative services	817,493				817,493
Plant operations and maintenance	4,014,545				4,014,545
Pupil transportation	1,382,304				1,382,304
Business and other support services	404,976				404,976
Unallocated benefits	8,996,487				8,996,487
Special schools	60,235				60,235
Transfer to charter school					-
Debt service:					
Principal				770,000	770,000
Interest and other charges				225,900	225,900
Capital outlay	1,853,914		1,510,379		3,364,293
Total expenditures	39,918,227	726,167	1,510,379	995,900	43,150,673
Excess (Deficiency) of revenues over expenditures	1,267,826	-	(1,021,623)	(3,305)	242,898
OTHER FINANCING SOURCES (USES)					
Capital Leases					-
Lease Purchase - ESIP			2,375,000		2,375,000
Transfers in	478			5	483
Transfers out	(5)		(478)		(483)
Fund Balance Adjustment					-
Total other financing sources and uses	473	-	2,374,522	5	2,375,000
Net change in fund balances	1,268,299	-	1,352,899	(3,300)	2,617,898
Fund balance—July 1	4,512,483		1,270,722	3,300	5,786,505
Fund balance—June 30	\$ 5,780,782	\$ -	\$ 2,623,621	\$ -	\$ 8,404,403

Springfield Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ 2,617,898

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(350,143)	
Fixed Asset Adjustment	206,421	
Capital outlays	3,364,293	3,220,571

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 770,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt		
Accrued interest received on bond insurance		
Capital lease proceeds - ESIP		(2,375,000)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Current year accrued interest or long-term debt which was paid in the subsequent year	(45,230)	
Prior year accrued interest on long term debt which was paid in the current year	9,413	
Compensated absences payable	(75,219)	
Capital lease payments	355,746	
Proportionate Share of Pension Plan Expense	(554,628)	
GASB #68 Prior Period Adjustment for Net Pension Plan Liability as of 7/01/14	(9,992,276)	(10,302,194)

Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in net assets of governmental activities

\$ (6,068,725)

PROPRIETARY FUNDS

**Springfield Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2015**

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 48,236	524,692	\$ 572,928
Investments			-
Accounts receivable	19,167	1,653	20,820
Other receivables			-
Inventories	5,870		5,870
Total current assets	<u>73,273</u>	<u>526,345</u>	<u>599,618</u>
Noncurrent assets:			
Furniture, machinery & equipment	109,737		109,737
Less accumulated depreciation	(109,737)		(109,737)
Total noncurrent assets	<u>-</u>	<u>0</u>	<u>-</u>
Total assets	<u><u>73,273</u></u>	<u><u>526,345</u></u>	<u><u>599,618</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	11,454		11,454
Unearned Income	13,947		13,947
Compensated absences			-
Total current liabilities	<u>25,401</u>	<u>0</u>	<u>25,401</u>
Noncurrent Liabilities:			
Compensated absences			-
Total noncurrent liabilities	<u>-</u>	<u>0</u>	<u>-</u>
Total liabilities	<u><u>25,401</u></u>	<u><u>0</u></u>	<u><u>25,401</u></u>
NET ASSETS			
Invested in capital assets net of related debt			-
Restricted for:			
Capital projects			-
Unrestricted	47,872	526,345	574,217
Total net assets	<u>\$ 47,872</u>	<u>526,345</u>	<u>\$ 574,217</u>

Exhibit B-5

Springfield Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Before/After Care Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 514,973	\$ 674,019	\$ 1,188,992
Daily sales - non-reimbursable programs			-
Special functions			-
Community service activities			-
Transportation fees from other LEA's within the state			-
Deductions from employees' salaries			-
Miscellaneous			-
Total operating revenues	<u>514,973</u>	<u>674,019</u>	<u>1,188,992</u>
Operating expenses:			
Cost of sales	303,648		303,648
Salaries	231,525	484,963	716,488
Employee benefits	29,616	71,418	101,034
Purchased property service			-
Other purchased professional services			-
Student meals		53,275	53,275
Cleaning, repair and maintenance services	246		246
Insurance	11,152		11,152
General supplies	19,020	4,851	23,871
Miscellaneous expense	45,841		45,841
Depreciation			-
Food distribution program Expense	9,033		9,033
Total Operating Expenses	<u>650,081</u>	<u>614,507</u>	<u>1,264,588</u>
Operating income (loss)	<u>(135,108)</u>	<u>59,512</u>	<u>(75,596)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,487		5,487
Federal sources:			
National school lunch program	133,255		133,255
Special milk program			-
Food distribution program	9,033		9,033
Interest and investment revenue	586	5,835	6,421
Food service expense reimbursement	79,865		79,865
Total nonoperating revenues (expenses)	<u>228,226</u>	<u>5,835</u>	<u>234,061</u>
Income (loss) before contributions & transfers	<u>93,118</u>	<u>65,347</u>	<u>158,465</u>
Capital contributions			-
Transfers in (out)			-
Change in net assets	<u>93,118</u>	<u>65,347</u>	<u>158,465</u>
Total net assets—beginning	<u>(45,246)</u>	<u>460,998</u>	<u>415,752</u>
Total net assets—ending	<u>\$ 47,872</u>	<u>\$ 526,345</u>	<u>\$ 574,217</u>

Springfield Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities -		
	Enterprise Funds		
	Food	Before/	Total
	Service	After Care	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ (251,297)	\$ 59,673	\$ (191,624)
Payments to employees			-
Payments for employee benefits			-
Payments to suppliers			-
Net cash provided by (used for) operating activities	<u>(251,297)</u>	<u>59,673</u>	<u>(191,624)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,487		5,487
Federal Sources	133,255		133,255
Operating subsidies and transfers to other funds			-
Food service expense reimbursement	79,865		79,865
Net cash provided by (used for) non-capital financing activities	<u>218,607</u>	<u>-</u>	<u>218,607</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions			-
Purchases of capital assets			-
Gain/Loss on sale of fixed assets (proceeds)			-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	586	5835	6,421
Proceeds from sale/maturities of investments			-
Net cash provided by (used for) investing activities	<u>586</u>	<u>5,835</u>	<u>6,421</u>
Net increase (decrease) in cash and cash equivalents	<u>(32,104)</u>	<u>65,508</u>	<u>33,404</u>
Balances—beginning of year	80,340	459,184	539,524
Balances—end of year	<u>\$ 48,236</u>	<u>\$ 524,692</u>	<u>\$ 572,928</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (135,108)	59,512	(75,596)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			-
Depreciation and net amortization			-
(Increase) decrease in accounts receivable, net	1,720	161	1,881
(Increase) decrease in inventories	383		383
(Increase) decrease in other current assets			-
Increase (decrease) in accounts payable	(129,650)		(129,650)
Increase (decrease) in unearned income	2,325		2,325
Food Commodity Program	9,033		9,033
Total adjustments	<u>(116,189)</u>	<u>161</u>	<u>(116,028)</u>
Net cash provided by (used for) operating activities	<u>\$ (251,297)</u>	<u>\$ 59,673</u>	<u>\$ (191,624)</u>

FIDUCIARY FUNDS

**Springfield Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2015**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 47,815	\$ 917,971
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Total investments	-	-
Total assets	<u>47,815</u>	<u>\$ 917,971</u>
LIABILITIES		
Accounts payable		
Payable to student groups		232,172
Payroll deductions and withholdings		166,136
Payable to teachers		519,663
Total liabilities	<u>-</u>	<u>\$ 917,971</u>
NET ASSETS		
Held in trust for unemployment claims and other purposes	<u>\$ 47,815</u>	
Reserved for scholarships		

Exhibit B-8

**Springfield Board of Education
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015**

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 158,596
Other	
Total Contributions	158,596
Investment earnings:	
Net increase (decrease) in fair value of investments	
Interest	119
Dividends	
Less investment expense	
Net investment earnings	119
Total additions	158,715
DEDUCTIONS	
Quarterly contribution reports	132,837
Unemployment claims	
Scholarships awarded	
Refunds of contributions	
Transfers	119
Total deductions	132,956
Change in net assets	25,759
Net assets—beginning of the year	22,056
Net assets—end of the year	\$ 47,815

NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Springfield School District Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards starting with the fiscal year-ending June 30, 2004. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management's Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. The District implemented the following other GASB Statements: Statement 33 -*Accounting and Financial & Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 - *Economic Condition Reporting-The Statistical Section*; Statement 45 -*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* and Statement 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2015.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity:

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

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

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Governmental Fund Types

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Types

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting:

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2015.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$ 41,182,729	707,953
Adjust for State Aid Payment:		
Add: Prior Year Payment	122,609	
Less: Current Year Payment	(119,285)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		18,214
Less Current Year Encumbrances		
Total Revenues (GAAP Basis)	<u>\$ 41,186,053</u>	<u>\$ 726,167</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 39,918,227	707,953
Adjustments:		
Add Prior Year Encumbrances		18,214
Less Current Year Encumbrances		
Total Expenditures (GAAP Basis)	<u>\$ 39,918,227</u>	<u>\$ 726,167</u>

E. Encumbrances:

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

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

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

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

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015 there remained undisbursed accrued salaries in the amount of \$519,663.

J. Compensated Absences:

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

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

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

K. Deferred Revenue:

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

L. Accrued Liabilities and Long-Term Obligations:

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

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

N. Fund Balance Reserves:

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

O. Memorandum Only - Total Columns:

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

P. Subsequent Events:

The Township of Springfield Board of Education has evaluated subsequent events occurring after June 30, 2015 through the date of November 30, 2015, which is the date the financial statements were available to be issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits:

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

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

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

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments:

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

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

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 6,100,116
NJ Cash Management Account	\$ 15,842
	<u>\$ 6,115,958</u>
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

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

Risk Category

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

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

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

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

As of June 30, 2015, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings and New Jersey Cash Management Account. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 6,115,958
2	None
3	<u>None</u>
	\$ 6,115,958
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 3. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	4,436	-	-	4,436
Construction in progress	1,002,036	1,510,379	1,002,036	1,510,379
Total capital assets not being depreciated	<u>1,006,472</u>	<u>1,510,379</u>	<u>1,002,036</u>	<u>1,514,815</u>
<i>Capital assets being depreciated:</i>				
Site improvements	510,259	-	-	510,259
Building and building improvements	29,619,098	1,002,036	639,887	31,261,021
Machinery and equipment	14,162,264	1,420,447	-	15,582,711
Totals at historical cost	<u>44,291,621</u>	<u>2,422,483</u>	<u>639,887</u>	<u>47,353,991</u>
Less accumulated depreciation for :				
Building and improvements	8,926,807	284,166	-	9,210,973
Equipment	5,694,907	65,977	-	5,760,884
Total	<u>14,621,714</u>	<u>350,143</u>	<u>-</u>	<u>14,971,857</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>29,669,907</u>	<u>2,072,340</u>	<u>-</u>	<u>32,382,134</u>
Governmental activity capital assets, net	<u>\$ 30,676,379</u>	<u>\$ 3,582,719</u>	<u>\$ 1,641,923</u>	<u>\$ 33,896,949</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 109,737			\$ 109,737
Less accumulated depreciation	<u>109,737</u>			<u>\$ 109,737</u>
Enterprise fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 3. CAPITAL ASSETS (Continued)

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

Depreciation expense was charged to functions as follows:

Instruction	\$ 261,014
Student and Instruction - Related Services	13,624
School Administrative Services	14,672
General and Business Administrative Services	4,192
Plant Operations and Maintenance	41,969
Pupil Transportation	7,336
Business and Other Support Services	7,336
Unallocated	-
Total	<u>\$ 350,143</u>

NOTE 4. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2014	Issued	Retired	Balance 6/30/2015	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,645,292	\$ 75,219	\$ -	\$ 1,720,511	
Serial Bonds Payable	7,530,000	-	770,000	6,760,000	785,000
Lease Purchases ESIP	-	2,375,000	-	2,375,000	23,902
Capital Leases Payable	1,342,219	-	355,746	986,473	355,747
	<u>\$ 10,517,511</u>	<u>\$ 2,450,219</u>	<u>\$ 1,125,746</u>	<u>\$ 11,841,984</u>	<u>\$ 1,164,649</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

The District had bonds outstanding as of June 30, 2015 as follows:

Year	Principal	Interest	Total
2016	785,000	202,800	987,800
2017	800,000	179,250	979,250
2018	820,000	155,250	975,250
2019	835,000	130,650	965,650
2020	850,000	105,600	955,600
2021	860,000	80,100	940,100
2022	900,000	54,300	954,300
2023	910,000	27,300	937,300
Total	6,760,000	935,250	7,695,250

B. Bonds Issued During the Year:

For the fiscal year ended June 30, 2015, the Board of Education did not issue any bonds.

C. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no bonds authorized but not issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

D. Capital Leases Payable:

The District is leasing several copiers and computer equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2015.

Year ending June 30,	<u>Total</u>
2016	\$ 355,747
2017	355,747
2018	277,316
2018	<u>5,287</u>
Total Minimum Lease Payments	994,097
Less: Amount Representing Interest	<u>(7,625)</u>
Net Minimum Lease Payments	<u>\$ 986,472</u>

NOTE 5. PENSION PLANS

Plan Descriptions

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$996,413, consisting of employer contributions of \$441,785 and non-employer contributions of \$554,628. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	315,505	-
Net difference between projected and actual earnings on pension plan investments	-	597,939
Changes in proportion and differences between District contributions and proportionate share of contributions	210,980	
District contributions subsequent to the measurement date	-	
Total:	\$ 526,485	\$ 597,939

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$ -00 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2015	\$ (91,505)
2016	\$ (91,505)
2017	\$ (91,505)
2018	\$ (91,505)
2019	\$ 58,009
Thereafter	\$ 25,524
Total	<u>\$ (282,487)</u>

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>12/31/13</u>	<u>12/31/14</u>
Collective deferred outflows of resources	\$ -	\$ 526,485
Collective deferred inflows of resources	-	597,939
Collective net pension liability	9,992,276	10,033,440
District's Proportion	<u>0.0536%</u>	<u>0.0536%</u>

The District made an adjustment in the District-Wide Financial Statements to record the collective net pension liability reported above of \$9,992,276. This liability was recorded as of July 1, 2014 and is a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$4,273,927 and revenue of \$4,273,927 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 32,729
Changes of assumptions	3,436,382	-
Net difference between projected and actual earnings on pension plan investments	-	2,594,075
Changes in proportion and differences between District contributions and proportionate share of contributions	-	125,003
District contributions subsequent to the measurement date	-	
Total:	<u>\$ 3,436,382</u>	<u>\$ 2,751,807</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

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

\$ -0- reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2015	\$ (196,033)
2016	(196,033)
2017	(196,033)
2018	(196,033)
2019	456,931
Thereafter	1,142,327
Total	\$ 815,126

Vesting and Benefit Provisions

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

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members accounts.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 5. PENSION PLANS (Continued)

Significant Legislation

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

Contribution Requirements

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

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$2,051,838 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District contributed \$1,080,758 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 6. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post retirement medical benefits. The state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

For the fiscal year ended June 30, 2015, the State of New Jersey contributed on behalf of the District \$1,258,858 to the TPAF for post-retirement medical benefits.

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 80,179	
Special Revenue Fund		
Capital Projects Fund		80,179
Debt Service Fund		
Enterprise Fund		
Trust and Agency Fund		
	<u>\$80,179</u>	<u>\$80,179</u>

These amounts represent temporary advances between the various funds.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 8. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and

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

NOTE 9. LITIGATION

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

J.B. o/b/o E. B. v. Springfield Board of Education: This matter is a residency appeal by the parent of a former Springfield student who is contesting the Board's determination that he was not domiciled in Springfield for the time period 2011-2014 and, therefore, owes the Board tuition for his daughter's attendance in the District during that time. The Board's investigation into the Petitioner's residency was initially occasioned by a fire that destroyed Petitioner's home in Springfield. He informed the District that he would be moving with his daughter to Mountainside, where his father lived, while he rebuilt his home in Springfield. Time passed, and the District came to learn that the Petitioner had never moved back into Springfield. Petitioner was unable to provide the District with proof of residency. At a hearing before the Board in August 2013, the Board determined that Petitioner was not domiciled in Springfield and owed the District tuition. In September 2013, Petitioner filed this appeal with the Commissioner and the matter was transferred to the Office of Administrative Law for initial determination and fact finding. The District counterclaimed for back tuition of over \$50,000. The hearing in this matter concluded in August 2015 and a decision is pending.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 9. LITIGATION (Continued)

A.K. and D.K. o/b/o B.K. v. Springfield Board of Education: Petitioners' son, B.K. was enrolled in the District between 2010 and 2014. In November 2013, B.K. was evaluated by the Child Study Team and was determined not to be eligible to receive special education and related services. A 504 plan was prepared to adequately address B.K.'s needs. In February 2014, Petitioners filed for due process seeking classification, development of an IEP, and reimbursement for any costs associated with educating B.K. After the Petition was filed, Petitioners unilaterally withdrew B.K. and placed him in a private school for children with special needs. The hearing in this matter took place between November 2014 and April 2015. Last week, the Administrative Law Judge issued her final decision. The District was successful and the petitioner and request for relief were denied in their entirety. Petitioners may appeal this decision to the U.S. District Court of New Jersey.

F.H. o/b/o N.H. v. Springfield Board of Education, OAL Docket No.: EDS 09478-15: Petitioner parent ("F.H.") filed for due process on behalf of her minor child, N.H., on or about May 28, 2015. The Board filed its Response to the Petition on June 29, 2015. F.H. first enrolled N.H. in the District in 2012. N.H. was in 3rd grade at the time of enrollment and had received no prior formal education. As such, N.H. arrived in District with almost no basic skills or content knowledge. Immediately upon his arrival, N.H. was referred by District staff to the child study team for evaluation. While N.H. was found eligible, F.H. refused to classify N.H. and declined services. A year later, once again, N.H. was referred to the child study team for evaluation. This time F.H. agreed to classification and placement. The District continued to push the parent to allow it to provide additional services for N.H. in a more restrictive environment. In 2015, it proposed moving N.H. to a self-contained Learning and Language Disabled program. F.H. was not in agreement and filed for due process. She also filed a complaint with the Office of Special Education Services. A hearing was scheduled to commence on September 11, 2015. At the hearing, the parties settled the dispute with F.H. agreeing to withdraw her petition. The settlement has been approved by the assigned Administrative Law Judge.

C.H. v. Springfield Board of Education, OAL Docket No.: EDS 09902-15: C.H. is a 20-year old student with special needs who has attended the Montgomery Academy for the past five school years. He completed his academic graduation requirements during the 2013-14 school year, his senior year and fourth year of high school. He remained at Montgomery Academy for transition services during the 2014-15 school year. At the end of the year, the District provided notice that it intended to graduate C.H. C.H. refused to accept his diploma and filed for due process. Settlement negotiations ensued and this matter has been settled, with the District agreeing to provide a limited program for C.H. for the 2015-16 school year. The settlement has been approved by the Board and by the assigned Administrative Law Judge.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 9. LITIGATION (Continued)

West Cape May Board of Education & Springfield Board of Education vs. Department of Education, OAL Docket No.: 04191-14: The Board's attorneys are counsel to both the Springfield Board of Education and West Cape May Board of Education (collectively "Petitioners") in the above-referenced matter against the Department of Education ("DOE"). On March 4, 2014, Petitioners filed a Petition of Appeal, seeking redress from the Commissioner of Education following the DOE's implementation of a 5% cap on increases in school choice enrollment in West Cape May and Springfield in breach of the DOE's self-described "binding agreements" with Petitioners and in violation of agency rule-making procedures. The DOE answered the Petition on or about April 7, 2014, by denying virtually every paragraph in the petition of appeal and then filed a motion for summary decision. Petitioners have filed a motion for leave to file an interlocutory appeal with the Appellate Division, seeking to overturn a decision of the Commissioner's office denying Petitioners' access to certain discovery. This motion is currently pending before the Appellate Division and we are awaiting a decision from that Court.

NOTE 10. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the fiscal year ended June 30, 2014, the District had actual interest earnings of \$5,615. In June 2015, the Board of Education approved the transfer of \$817,041 from unanticipated surplus to the Capital Reserve account. The increase in the Capital Reserve is reflected in the attached financial statements.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 11. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$817,041.

NOTE 12. COMPENSATED ABSENCES

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

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

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

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

NOTE 13. DEFERRED COMPENSATION

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 13. DEFERRED COMPENSATION (Continued)

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

NOTE 14. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of the balance in the Trust Fund for the current and previous two years.

<u>Fiscal Year</u>	<u>Ending Balance</u>
2014-2015	\$ 47,815
2013-2014	\$ 22,056
2012-2013	\$ 19,124

NOTE 15. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 16. 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 district for the year ended June 30, 2015. 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, 2015.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015**

NOTE 17. SUBSEQUENT EVENTS

The Springfield School District Board of Education has evaluated subsequent events occurring after June 30, 2015 through the date of November 30, 2015, which is the date the financial statements were available to be issued.

NOTE 18. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

NOTE 19. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the New Hanover Board of Education classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$5,900,067 General Fund fund balance at June 30, 2015, \$159,789 is restricted for excess surplus; \$1,945,752 is restricted for the Capital Reserve Account; \$250,000 is restricted for the Maintenance Reserve; \$2,374,665 is assigned for other purposes; \$181,061 is assigned as designated for subsequent year's expenditures and \$988,800 is unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	<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	\$ 35,932,493	\$ -	\$ 35,932,493	\$ 35,932,497	\$ 4
Tuition	79,042	-	79,042	72,993	(6,049)
Transportation Fees from Individuals	14,600	-	14,600	11,771	(2,829)
Transportation Fees from Other LEAs	-	-	-	7,463	7,463
Rental of Facilities	15,000	-	15,000	17,675	2,675
Interest on Investments	-	-	-	74,233	74,233
Interest on Investments - Capital Reserve	400	-	400	5,615	5,215
Miscellaneous	399,960	-	399,960	374,055	(25,905)
Total - Local Sources	<u>36,441,495</u>	<u>-</u>	<u>36,441,495</u>	<u>36,496,302</u>	<u>54,807</u>
State Sources:					
Transportation Aid	68,276	-	68,276	68,276	-
Security Aid	39,644	-	39,644	39,644	-
Special Education Aid	743,150	-	743,150	743,150	-
Bilingual Education	-	-	-	-	-
Extraordinary Aid - Prior Year	-	-	-	-	-
Extraordinary Aid	200,000	-	200,000	228,343	28,343
School Choice	486,710	-	486,710	403,274	(83,436)
Non-Public Transportation-Prior Year	-	-	-	-	-
Non-Public Transportation	-	-	-	24,744	24,744
Other State Aid	46,400	-	46,400	46,400	-
TPAF Pension & Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,051,838	2,051,838
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,080,758	1,080,758
Total State Sources	<u>1,584,180</u>	<u>-</u>	<u>1,584,180</u>	<u>4,686,427</u>	<u>3,102,247</u>
Federal Sources:					
Education Job Fund	-	-	-	-	-
Medicaid Reimbursement	-	-	-	-	-
Total - Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>38,025,675</u>	<u>-</u>	<u>38,025,675</u>	<u>41,182,729</u>	<u>3,157,054</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	213,017	-	213,017	208,501	4,516
Kindergarten - Salaries of Teachers	680,806	95,000	775,806	770,360	5,446
Grades 1-5 - Salaries of Teachers	3,576,433	(41,825)	3,534,608	3,533,215	1,393
Grades 6-8 - Salaries of Teachers	2,564,894	4,200	2,569,094	2,554,094	15,000
Grades 9-12 - Salaries of Teachers	3,543,497	(50,050)	3,493,447	3,486,286	7,161
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000	(7,155)	22,845	18,503	4,342
Purchased Professional-Educational Services	5,000	6,500	11,500	9,417	2,083
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	6,000	11,875	17,875	17,421	454
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	1,000	-	1,000	-	1,000
Other Purchased Services (400-500 series)	61,980	50	62,030	32,036	29,994
General Supplies	635,675	69,339	705,014	355,516	349,498
Textbooks	92,517	95,378	187,895	177,133	10,762
Other Objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>11,410,819</u>	<u>183,312</u>	<u>11,594,131</u>	<u>11,162,482</u>	<u>431,649</u>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Mild	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cognitive - Moderate:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Moderate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities:					
Salaries of Teachers	383,844	(38,150)	345,694	345,657	37
Other Salaries for Instruction	860,315	87,950	948,265	948,225	40
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	537	2,537	2,056	481
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	1,246,159	50,337	1,296,496	1,295,938	558
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	-	-	-	-	-
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	-	-	-	-	-
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	-	-	-	-	-
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	-	-	-	-	-
Resource Room/Resource Center:					
Salaries of Teachers	1,369,999	(139,600)	1,230,399	1,229,800	599
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	5,000	215	5,215	4,988	227
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	1,374,999	(139,385)	1,235,614	1,234,788	826
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	-	-	-	-	-

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	56,389	3,995	60,384	55,514	4,870
Other Salaries for Instruction	81,041	(24,895)	56,146	23,910	32,236
Purchased Professional-Educational Services	45,726	(3,335)	42,391	34,422	7,969
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	725	-	725	500	225
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Part-Time	<u>183,881</u>	<u>(24,235)</u>	<u>159,646</u>	<u>114,346</u>	<u>45,300</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Full-Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cognitive - Severe:					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Cognitive - Severe	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>2,805,039</u>	<u>(113,283)</u>	<u>2,691,756</u>	<u>2,645,072</u>	<u>46,684</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	202,652	(10,000)	192,652	149,860	42,792
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,000	-	1,000	-	1,000
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>203,652</u>	<u>(10,000)</u>	<u>193,652</u>	<u>149,860</u>	<u>43,792</u>
Bilingual Education - Instruction					
Salaries of Teachers	155,626	(6,364)	149,262	140,227	9,035
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	600	-	600	580	20
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Bilingual Education - Instruction	<u>156,226</u>	<u>(6,364)</u>	<u>149,862</u>	<u>140,807</u>	<u>9,055</u>
School-Spon. Athletics - Inst.					
Salaries of Teachers	418,723	(62,675)	356,048	331,355	24,693
Other Salaries for Instruction	-	42,600	42,600	42,260	340
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	99,778	1,761	101,539	78,102	23,437
General Supplies	52,253	104,866	157,119	98,136	58,983
Textbooks	-	-	-	-	-
Other Objects	47,026	(10,859)	36,167	22,799	13,368
Total School-Spon. Athletics - Inst.	<u>617,780</u>	<u>75,693</u>	<u>693,473</u>	<u>572,652</u>	<u>120,821</u>

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	167,411	9,250	176,661	170,497	6,164
Purchased Services (300-500 series)		-			-
Supplies and Materials	12,226	(6,300)	5,926	3,945	1,981
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total School-Spon. Cocurricular Actvts. - Inst.	<u>179,637</u>	<u>2,950</u>	<u>182,587</u>	<u>174,442</u>	<u>8,145</u>
Other Instructional Programs - Community Service					
Salaries	98,800	-	98,800	77,840	20,960
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total Other Instructional Programs - Community Service	<u>98,800</u>	<u>-</u>	<u>98,800</u>	<u>77,840</u>	<u>20,960</u>
Total Instruction	<u>15,471,953</u>	<u>132,308</u>	<u>15,604,261</u>	<u>14,923,155</u>	<u>681,106</u>
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	-	32,500	32,500	29,073	3,427
Tuition to Private Schools for the Handicapped - Within State	1,988,166	(38,539)	1,949,627	1,795,944	153,683
Tuition to Private Schools for the Handicapped - Outside NJ		-			-
Tuition -County Voc School-Regular	360,000	49,300	409,300	407,700	1,600
Tuition -County Voc School-Special	71,950	(40,300)	31,650	31,600	50
Tuition - State Facilities		-			-
Tuition - Other		-			-
Tuition - Other Lea Within State-Special	440,749	(21,826)	418,923	387,585	31,338
Total Undistributed Expenditures - Instruction:	<u>2,860,865</u>	<u>(18,865)</u>	<u>2,842,000</u>	<u>2,651,902</u>	<u>190,098</u>
Undistributed Expend. - Attendance Services					
Salaries	18,764	10	18,774	18,767	7
Total Undistributed Expend. - Attendance Services	<u>18,764</u>	<u>10</u>	<u>18,774</u>	<u>18,767</u>	<u>7</u>
Undistributed Expend. - Speech & Social Work					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undistributed Expend. - Speech & Social Work	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Health Services					
Salaries	401,175	17,135	418,310	415,390	2,920
Purchased Professional and Technical Services	709,775	(30,112)	679,663	518,832	160,831
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	15,098	46	15,144	14,176	968
Other Objects		-			-
Total Undistributed Expenditures - Health Services	<u>1,126,048</u>	<u>(12,931)</u>	<u>1,113,117</u>	<u>948,398</u>	<u>164,719</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	213,924	9,000	222,924	214,816	8,108
Purchased Professional - Educational Services		1,850	1,850	1,798	52
Supplies and Materials	1,900	-	1,900	1,064	836
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>215,824</u>	<u>10,850</u>	<u>226,674</u>	<u>217,678</u>	<u>8,996</u>
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	681,426	(24,000)	657,426	657,176	250
Salaries of Secretarial and Clerical Assistants	79,785	9,250	89,035	88,989	46
Other Salaries		-			-
Purchased Professional - Educational Services		2,200	2,200	2,165	35
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	13,351	(2,055)	11,296	10,598	698
Other Objects		-			-
Total Undist. Expend. - Guidance Services	<u>774,562</u>	<u>(14,605)</u>	<u>759,957</u>	<u>758,928</u>	<u>1,029</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	505,393	40,400	545,793	512,471	33,322
Salaries of Secretarial and Clerical Assistants	95,708	350	96,058	96,045	13
Purchased Professional - Educational Services		10,000	10,000	9,250	750
Supplies and Materials	5,500	-	5,500	1,719	3,781
Other Objects	13,000	1,597	14,597	14,597	-
Total Undist. Expend. - Child Study Teams	<u>619,601</u>	<u>52,347</u>	<u>671,948</u>	<u>634,082</u>	<u>37,866</u>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	185,382	(94,632)	90,750	90,748	2
Salaries of Other Professional Staff		219,052	219,052	219,030	22
Salaries of Sec and Clerical Assist.	50,459	(37,300)	13,159	12,615	544
Other Salaries		-			-
Purchased Prof- Educational Services		-			-
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)	65,025	(47,471)	17,554	11,692	5,862
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>300,866</u>	<u>39,649</u>	<u>340,515</u>	<u>334,085</u>	<u>6,430</u>

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	177,010	600	177,610	177,590	20
Salaries of Technology Coordinators	95,509	-	95,509	95,509	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	156,135	(4,050)	152,085	102,786	49,299
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	428,654	(3,450)	425,204	375,885	49,319
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	128,480	-	128,480	128,480	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	58,475	5	58,480	58,475	5
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Servic	5,000	1,270	6,270	2,584	3,686
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	115,800	(36,786)	79,014	62,779	16,235
Supplies and Materials	5,000	125	5,125	1,076	4,049
Other Objects	5,000	-	5,000	1,530	3,470
Total Undist. Expend. - Instructional Staff Training Serv.	317,755	(35,386)	282,369	254,924	27,445
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	251,407	1,275	252,682	227,728	24,954
Legal Services	100,000	333,109	433,109	371,234	61,875
Audit Fees	21,236	(1,230)	20,006	20,001	5
Other Purchased Professional Services	-	103,298	103,298	42,881	60,417
Communications/Telephone	109,870	(44,157)	65,713	64,418	1,295
Other Purchased Services (400-500 series)	75,791	(9,015)	66,776	62,040	4,736
Other Purchased Prof. and Tech. Services	22,350	(17,420)	4,930	4,905	25
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	31,000	(7,997)	23,003	8,053	14,950
General Supplies	-	-	-	-	-
Judgements Against The School Distric	-	-	-	-	-
BOE Membership Dues and Fees	18,615	-	18,615	16,233	2,382
Miscellaneous Expenditures	-	-	-	-	-
Total Undist. Expend. - Supp. Serv. - General Admin.	630,269	357,863	988,132	817,493	170,639
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	834,013	(171,850)	662,163	662,131	32
Salaries of Other Professional Staff	-	179,850	179,850	179,825	25
Salaries of Secretarial and Clerical Assistants	315,804	42,150	357,954	357,925	29
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	9,100	9,100	5,625	3,475
Other Purchased Services (400-500 series)	58,185	(42,975)	15,210	14,800	410
Supplies and Materials	77,520	(18,444)	59,076	48,918	10,158
Rental	-	-	-	-	-
Other Objects	3,565	(2,300)	1,265	1,245	20
Total Undist. Expend. - Support Serv. - School Admin.	1,289,087	(4,469)	1,284,618	1,270,469	14,149
Undist. Expend. - Central Services					
Salaries	323,343	(6,625)	316,718	316,052	666
Other Purchased Services (400-500 series)	1,500	150	1,650	1,364	286
Supplies and Materials	7,500	400	7,900	7,675	225
Interest on Current Loans	-	-	-	-	-
Other Objects	1,500	275	1,775	1,757	18
Total Undist. Expend. - Central Services	333,843	(5,800)	328,043	326,848	1,195
Undist. Expend. - Admin. Info. Tech.					
Salaries	78,042	100	78,142	78,128	14
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Admin. Info. Tech.	78,042	100	78,142	78,128	14
Undist. Expend. - Required Maint.- School Facilities					
Salaries	176,059	(7,500)	168,559	167,102	1,457
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Cleaning, Repair and Maintenance Services	212,500	1,261,653	1,474,153	876,521	597,632
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	68,500	185,881	254,381	230,455	23,926
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Required Maint.- School Facilities	457,059	1,440,034	1,897,093	1,274,078	623,015

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	1,292,889	(25,275)	1,267,614	1,267,545	69
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	32,844	(21,370)	11,474	11,408	66
Cleaning, Repair and Maintenance Services	354,731	(16,196)	338,535	307,158	31,377
Other Purchased Property Services	42,500	-	42,500	37,499	5,001
Insurance	159,379	27,800	187,179	187,144	35
Miscellaneous Purchased Services-Rental		-			-
General Supplies	145,848	235,488	381,336	192,006	189,330
Energy - Natural Gas	463,476	(213,100)	250,376	241,700	8,676
Energy - Electricity	431,564	(24,030)	407,534	277,941	129,593
Energy - Gasoline	15,658	(8,000)	7,658	7,602	56
Other Objects	12,592	1,100	13,692	11,312	2,380
Total Undist. Expend. - Custodial Services	2,951,481	(43,583)	2,907,898	2,541,315	366,583
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	96,437	-	96,437	95,096	1,341
Purchased Professional and Technical Services	103,500	-	103,500	100,000	3,500
General Supplies	11,500	162	11,662	4,056	7,606
Total Undist. Expend. - Care and Upkeep of Grounds	211,437	162	211,599	199,152	12,447
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries of Non-Instructional Aides	5,100	93,650	98,750	98,737	13
Salaries - (Between Home and School) - Reg	304,304	(53,500)	250,804	250,734	70
Salaries - (Other than Bet. Home and School)	96,745	(67,630)	29,115	29,021	94
Cleaning, Repair and Maintenance Services	47,125	1,005	48,130	47,033	1,097
Contract Services - (Other than Bet. Home and School) - Vendors	16,370	6,300	22,670	22,626	44
Contract Services - (Between Home and School) - Joint		-			-
Contract Services - (Special Ed Stds) - Vendors		-			-
Contract Services - (Special Ed Stds) - Joint	288,343	(12,000)	276,343	250,379	25,964
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA	471,980	53,462	525,442	478,451	46,991
Aid in Lieu Of Pymts-NonPub Sch	132,600	(7,558)	125,042	124,993	49
Miscellaneous Purchased Services-Transportation	14,969	1,800	16,769	16,747	22
Supplies and Materials	48,789	20,650	69,439	60,755	8,684
Other Objects	2,500	330	2,830	2,828	2
Total Undist. Expend. - Student Transportation Serv.	1,428,825	36,509	1,465,334	1,382,304	83,030
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Insurance		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	-	-	-	-	-
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	485,464	(18,000)	467,464	466,364	1,100
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - PERS	484,735	(23,000)	461,735	452,333	9,402
Other Retirement Contributions - Regular		-			-
Interest for Lease Purchase		-			-
Unemployment Compensation	65,000	37,000	102,000	102,000	-
Workmen's Compensation	181,328	10,500	191,828	191,817	11
Health Benefits	5,406,135	(548,203)	4,857,932	4,643,287	214,645
Tuition Reimbursement		-			-
Other Employee Benefits	21,523	-	21,523	8,090	13,433
TOTAL UNALLOCATED POST RETIRE. MED. CONTRIB.	6,644,185	(541,703)	6,102,482	5,863,891	238,591
On-behalf TPAF Pension Contributions (non-budgeted)		-		2,051,838	(2,051,838)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		1,080,758	(1,080,758)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	3,132,596	(3,132,596)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,644,185	(541,703)	6,102,482	8,996,487	(2,894,005)
TOTAL UNDISTRIBUTED EXPENDITURES	20,687,167	1,256,732	21,943,899	23,080,923	(1,137,024)
TOTAL GENERAL CURRENT EXPENSE	36,159,120	1,389,040	37,548,160	38,004,078	(455,918)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction	10,113	136,118	146,231	125,397	20,834
Undistributed Expenditures - Guidance		-			-
Undistributed Expenditures - Child Study Teams		-			-
Undist. Expend. - Support Serv. - Students - Spl.		-			-
Undist. Expend. - Support Serv. - Related & Extra		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.	6,938	(6,938)	-	-	-
Undistributed Expenditures - Admin. Info. Tech.	106,802	(73,000)	33,802	33,773	29
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Required Maint for School Fac.	21,500	147,452	168,952	60,367	108,585
Undistributed Expenditures - Custodial Services		-			-
Undistributed Expenditures - Care and Upkeep of Grounds		-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	<u>145,353</u>	<u>203,632</u>	<u>348,985</u>	<u>219,537</u>	<u>129,448</u>
Facilities Acquisition and Construction Services					
Construction Services	1,410,000	-	1,410,000	890,861	519,139
Architectural/Engineering Services	192,782	(4,950)	187,832	178,288	9,544
Other Purchased Prof. Service		-			-
Supplies and materials	-	299,106	299,106	173,533	125,573
Other Objects	-	57,595	57,595	51,835	5,760
Assessment for Debt Service on SDA Funding	57,595	(57,595)	-	-	-
Bldgs. Other than Lease Purchase Agreements	339,887	-	339,887	339,860	27
Lease Purchase Agreements		-			-
Total Facilities Acquisition and Construction Services	<u>2,000,264</u>	<u>294,156</u>	<u>2,294,420</u>	<u>1,634,377</u>	<u>660,043</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-			-
Assets Acquired Under Capital Leases (non-budgeted)		-			-
TOTAL CAPITAL OUTLAY	<u>2,145,617</u>	<u>497,788</u>	<u>2,643,405</u>	<u>1,853,914</u>	<u>789,491</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	53,922	-	53,922	53,747	175
Other Salaries for Instruction	2,500	1,875	4,375	4,356	19
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,600	4,175	6,775	2,132	4,643
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	<u>59,022</u>	<u>6,050</u>	<u>65,072</u>	<u>60,235</u>	<u>4,837</u>
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Summer School	<u>59,022</u>	<u>6,050</u>	<u>65,072</u>	<u>60,235</u>	<u>4,837</u>
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

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

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	59,022	6,050	65,072	60,235	4,837
Transfer of Funds to Charter Schools					-
TOTAL EXPENDITURES	38,363,759	1,892,878	40,256,637	39,918,227	338,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	(338,084)	(1,892,878)	(2,230,962)	1,264,502	3,495,464
Other Financing Sources(Uses):					
Operating Transfer In:		-		478	
Transfer from Capital Projects		-			-
Operating Transfer Out:		-			-
Transfer to Debt Service Fund		-		(5)	5
Capital Leases (non-budgeted)		-			-
Total Other Financing Sources:	-	-	-	473	5
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(338,084)	(1,892,878)	(2,230,962)	1,264,975	3,495,469
Fund Balance, July 1				4,635,092	(4,635,092)
Fund Balance, June 30	\$ (338,084)	\$ (1,892,878)	\$ (2,230,962)	\$ 5,900,067	\$ (1,139,623)
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Reserve for Capital Reserve				\$ 1,945,752	
Maintenance Reserve				250,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				159,789	
Reserve for Excess Surplus				-	
Comitted Fund Balance:					
Reserve for Impact Aid					
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				181,061	
Reserve for encumbrances				2,374,665	
Unrestricted Fund Balance				988,800	
Subtotal				5,900,067	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis					(119,285)
Fund Balance per Governmental Funds (GAAP)				\$ 5,780,782	

**Springfield Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ -			\$ -
State Sources	81,759	27,227	108,986	64,994	(43,992)
Federal Sources	471,330	171,629	642,959	642,959	-
Total Revenues	553,089	198,856	751,945	707,953	(43,992)
EXPENDITURES:					
Instruction					
Salaries of Teachers	78,866	(63,266)	15,600	15,600	-
Other Salaries for Instruction		-			-
Other Salaries		-			-
Purchased Professional - Educational Services	62,004	17,006	79,010	36,823	42,187
Purchased Professional and Technical Services		-			-
Supplies and Materials		-			-
Other Purchased Services (400-500 series)	368,748	(368,748)	-	-	-
General Supplies	23,716	19,921	43,637	43,637	-
Textbooks	8,206	1,982	10,188	10,139	49
Tuition		299,250	299,250	299,250	-
Total Instruction	541,540	(93,855)	447,685	405,449	42,236
Support Services					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		4,056	4,056	4,056	-
Purchased Professional Services	11,549	201,895	213,444	213,444	-
Other Purchased Professional Services		72,900	72,900	71,144	1,756
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)	-	13,004	13,004	13,004	-
Supplies & Materials	-	856	856	856	-
Other Objects		-			-
Total Support Services	11,549	292,711	304,260	302,504	1,756

**Springfield Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		-			-
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Transfer to Charter School					-
Total Expenditures	553,089	198,856	751,945	707,953	43,992
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	553,089	198,856	751,945	707,953	43,992
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART II***

**Springfield Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2015**

**Note A - 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 schedule	[C-1]	\$ 41,182,729	[C-2]	\$ 707,953
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Prior year				18,214
Current year				-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(119,285)		
Prior year state aid payment recognized for GAAP purposes in current year		122,609		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 \$ 41,186,053	 [B-2]	 \$ 726,167
 Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	39,918,227	[C-2]	707,953
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes:				
Prior year				18,214
Current year				-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 \$ 39,918,227	 [B-2]	 \$ 726,167

***REQUIRED SUPPLEMENTARY INFORMATION
PART III***

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68)**

Township of Springfield School District
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERS
Last Fiscal Year*

	<u>2015</u>
District's proportion of the net pension liability	0.0536%
District's proportionate share of the net pension liability	\$10,033,440
District's covered employee payroll	\$ 3,568,177
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281.20%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

* This schedule does not contain ten years of information as GASB #68 was implemented during the fiscal year ending June 30, 2015.

Township of Springfield School District
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERS
Last Fiscal Year*

	2015
Contractually required contribution	\$ 441,785
Contributions in relation to the contractually required contribution	\$ <u>(441,785)</u>
Contribution deficiency (excess)	\$ <u><u>0</u></u>
District's covered employee payroll	\$ 3,568,177
Contributions as a percentage of its covered-employee payroll	12.40%

* This schedule does not contain ten years of information as GASB #68 was implemented during the fiscal year ending June 30, 2015.

Township of Springfield School District
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TPAF
Last Fiscal Year*

	<u>2015</u>
District's proportion of the net pension liability	0.1486%
State's proportionate share of the net pension liability attributable to the District	\$79,427,155
District's covered employee payroll	\$15,139,586
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	524.70%
Plan fiduciary net position as a percentge of the total pension liability	33.64%

* This schedule does not contain ten years of information as GASB #68 was implemented during the fiscal year ending June 30, 2015.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART III

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Year Ended June 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were no changes.

Changes of Assumptions

There were no changes.

B. TEACHERS PENSION AND ANNUITY FUND (TPAF)

Benefit Changes

There were no changes.

Changes of Assumptions

There were no changes.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

NOT APPLICABLE

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

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

**Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015**

	Total Brought Forward (Ex. E-1b)	Title I Part A	Title II Part A	Title III Immigrant	Title III Part A	I.D.E.A. Part B			Total
						I.D.E.A. Basic 2014-2015	Basic 2013-2014 (Carryover)	Preschool 2014-2015	
REVENUES									
Local Sources									\$ -
State Sources	64,994								64,994
Federal Sources		97,552	28,418	12,948	10,237	464,544	13,410	15,850	642,959
Total Revenues	64,994	97,552	28,418	12,948	10,237	464,544	13,410	15,850	707,953
EXPENDITURES:									
Instruction:									
Salaries of Teachers		8,000		3,800	3,800				15,600
Other Salaries for Instruction									-
Purchased Professional - Educational Services	36,823								36,823
Purchased Professional and Technical Services									-
Other Purchased Services (400-500 series)									-
Tuition						299,250			299,250
General Supplies		15,000		7,908	5,197	15,532			43,637
Textbooks	10,139								10,139
Other Objects									-
Supplies and Materials									-
Total instruction	46,962	23,000	-	11,708	8,997	314,782	-	-	405,449
Support services:									
Salaries of Other Professional Staff									-
Other Salaries									-
Personal Services - Employee Benefits		2,080		988	988				4,056
Purchased Professional Services		72,472	27,562			100,000	13,410		213,444
Other Purchased Professional Services	18,032					37,262		15,850	71,144
Purchased Technical Services									-
Rentals									-
Travel									-
Other Purchased Services (400-500 series)				252	252	12,500			13,004
Supplies & Materials			856						856
Total support services	18,032	74,552	28,418	1,240	1,240	149,762	13,410	15,850	302,504

Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	Title I Part A	Title II Part A	Title III Immigrant	Title III Part A	I.D.E.A. Part B			Total
						I.D.E.A. Basic 2014-2015	Basic 2013-2014 (Carryover)	Preschool 2014-2015	
EXPENDITURES (CONT'D):									
Facilities acquisition and const. serv.:									
Buildings									-
Instructional Equipment									-
Noninstructional Equipment									-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools									-
Total Expenditures	64,994	97,552	28,418	12,948	10,237	464,544	13,410	15,850	707,953
Other Financing Sources									
Transfer in from General Fund									-
Contribution to Whole School Reform									-
	-	-	-	-	-	-	-	-	-
Total Outflows	64,994	97,552	28,418	12,948	10,237	464,544	13,410	15,850	707,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Township of Springfield School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2015**

	N.J. Nonpublic Nursing Services	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Technology Services	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
				Transportation	Compensatory Education	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES									
State Sources	\$ 14,820	\$ 10,139	\$ 5,319	\$ 3,212	\$ 21,285	\$ 4,232	\$ 3,425	\$ 2,562	\$ 64,994
Total Revenues	14,820	10,139	5,319	3,212	21,285	4,232	3,425	2,562	64,994
EXPENDITURES									
Instruction:									
Purchased Professional - Educational Services			5,319		21,285	4,232	3,425	2,562	36,823
Textbooks		10,139							10,139
Total instruction	-	10,139	5,319	-	21,285	4,232	3,425	2,562	46,962
Support Services:									
Other Purchased Professional Services	14,820			3,212					18,032
Total Support Services	14,820	-	-	3,212	-	-	-	-	18,032
Total Expenditures	14,820	10,139	5,319	3,212	21,285	4,232	3,425	2,562	64,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

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

**Springfield Board of Education
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2015**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Adjustments</u>	<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Brick Façade - Phase I	08/19/13	\$ 961,770	\$ 856,044	\$ 98,638	\$ (7,088)	\$ -
Tree Top Property Remediation	08/01/13	371,875	63,386	6,450	-	302,039
Regular Operating District Grant (ROD-4)		3,104,915	35,590	1,242,771	-	1,826,554
Energy Savings Improvement Program (ESIP)	12/17/14	<u>2,375,000</u>	<u>-</u>	<u>161,519</u>	<u>-</u>	<u>2,213,481</u>
		<u>\$ 6,813,560</u>	<u>\$ 955,020</u>	<u>\$ 1,509,378</u>	<u>\$ (7,088)</u>	<u>\$ 4,342,074</u>

Exhibit F-2

Springfield Board of Education
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2015

Revenues and Other Financing Sources:

Lease Purchasing Financing for Energy Savings Improvement Program (ESIP)	\$ 2,375,000
State Aid - ROD IV Grant	488,278
Interest Income	478
Total Revenues	<u>2,863,756</u>

Expenditures and Other Financing Uses:

Other Purchased Professional and Technical Services	85,720
Construction services	1,423,658
Bank Charges	1,000
Total Expenditures	<u>1,510,378</u>

Excess (Deficiency) of revenues over (under) expenditures	1,353,378
---	-----------

Fund Balance - Beginning	1,270,722
--------------------------	-----------

Transfers - General Fund	<u>\$ (478)</u>
--------------------------	-----------------

Fund Balance - Ending	<u><u>\$ 2,623,622</u></u>
-----------------------	----------------------------

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

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

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

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

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Agency			Trust		Totals
	Student Activities	Payroll	Total Agency	Unemployment Compensation	Total Trust	
ASSETS:						
Cash and Cash Equivalents	\$ 232,172	\$ 685,799	\$ 917,971	\$ 47,815	\$ 47,815	\$ 965,786
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 232,172	\$ 685,799	\$ 917,971	\$ 47,815	\$ 47,815	\$ 965,786
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES:						
Accounts Payable	\$	\$	\$ -	\$	\$ -	\$ -
Interfund Payable - General Fund			-		-	-
Accrued Salaries and Wages		519,663	519,663		-	519,663
Payroll Deductions and Withholdings		166,136	166,136		-	166,136
Due to Student Groups	232,172		232,172		-	232,172
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 232,172	\$ 685,799	\$ 917,971	\$ -	\$ -	\$ 917,971
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS:						
Reserved for Unemployment Claims	\$	\$	\$	\$ 47,815	\$ 47,815	\$ 47,815
Reserved for Flexible Spending Claims					-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Net Assets	\$ -	\$ -	\$ -	\$ 47,815	\$ 47,815	\$ 47,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Exhibit H-3

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Schools</u>	<u>Balance 7/01/2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance 6/30/15</u>
Early childhood center: Edward V. Walton	\$ 18,607	\$ 6,212	3,233	\$ 21,586
Elementary Schools: James Caldwell	\$ 5,738	\$ 5,027	9,906	\$ 859
Thelma L. Sandmeier	7,832	4,287	5,356	6,763
Middle School: Florence M. Gaudineer	\$ 79,349	\$ 76,560	69,652	\$ 86,257
High schools: Jonathan Dayton	\$ 118,980	\$ 184,081	192,296	\$ 110,765
Athletic Activities	<u>2,689</u>	<u>40,397</u>	<u>37,144</u>	<u>5,942</u>
	<u>\$ 233,195</u>	<u>\$ 316,564</u>	<u>\$ 317,587</u>	<u>\$ 232,172</u>

Exhibit H-4

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2015</u>
ASSETS:				
Cash and cash equivalents	\$ <u>673,902</u>	\$ <u>25,937,881</u>	\$ <u>25,925,984</u>	\$ <u>685,799</u>
Total assets	\$ <u>673,902</u>	\$ <u>25,937,881</u>	<u>25,925,984</u>	\$ <u>685,799</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 163,547	\$ 25,127,139	\$ 25,124,550	\$ 166,136
Accrued salaries and wages	<u>510,355</u>	<u>810,742</u>	<u>801,434</u>	<u>519,663</u>
Total liabilities	\$ <u>673,902</u>	\$ <u>25,937,881</u>	\$ <u>25,925,984</u>	\$ <u>685,799</u>

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS AND LOANS
June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2015		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
			Date	Amount					
Refunding School Bonds; Advance refunded \$8,774,000 of the Bonds originally issued on 06/30/03 and maturing on or after 06/15/23	11/13/12	8,485,000	06/15/16	785,000	3.00%	7,530,000		770,000	6,760,000
			06/15/17	800,000					
			06/15/18	820,000					
			06/15/19	835,000					
			06/15/20	850,000					
			06/15/21	860,000					
			06/15/22	900,000					
			06/15/23	910,000					
Lease Purchase Financing for the ESIP which commences on 12/17/14 and matures on 12/17/34	12/17/14	2,375,000	06/17/16	23,902	2.84%	0	2,375,000	0	2,375,000
			06/17/17	159,667					
			06/17/18	79,231					
			06/17/19	64,397					
			06/17/20	70,232					
			06/17/21	76,354					
			06/17/22	82,776					
			06/17/23	89,510					
			06/17/24	96,569					
			06/17/25	104,772					
			06/17/26	111,743					
			06/17/27	119,857					
			06/17/28	128,356					
			06/17/29	137,253					
			06/17/30	146,561					
			06/17/31	156,299					
			06/17/32	166,487					
			06/17/33	177,141					
06/17/34	188,281								
06/17/35	195,612								
Totals						<u>7,530,000</u>	<u>2,375,000</u>	<u>770,000</u>	<u>9,135,000</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2015

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
Photocopiers-Xerox (8 units)	69,288	61,100		15,859	45,241
Apple Computers	1,721,007	<u>1,281,119</u>		<u>339,887</u>	<u>941,232</u>
		\$ <u>1,342,219</u>	\$ <u>0</u>	\$ <u>355,746</u>	\$ <u>986,473</u>

**Township of Springfield School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 992,595	\$ -	\$ 992,595	\$ 992,595	\$ -
State Sources:					
Debt Service Aid Type II		-			-
Debt Service Aid Type I		-			-
Total - State Sources	-	-	-	-	-
Total Revenues	992,595	-	992,595	992,595	-
EXPENDITURES:					
Regular Debt Service:					
Interest	225,900	-	225,900	225,900	-
Redemption of Principal	770,000	-	770,000	770,000	-
Total Regular Debt Service	995,900	-	995,900	995,900	-
Total expenditures	995,900	-	995,900	995,900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,305)	-	(3,305)	(3,305)	-
Other Financing Sources:					
Transfers from General Fund				5	5
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(3,305)	-	(3,305)	(3,300)	5
Fund Balance, July 1	3,300	-	3,300	3,300	-
Fund Balance, June 30	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ 5</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance					<u>\$ -</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	88-94
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	95-98
Debt Capacity These schedules present information to help the reader assess the affordability of the district' s current levels of outstanding debt and the district's ability to issue additional debt in the future.	99-102
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	103-104
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	105-109

FINANCIAL TRENDS

Exhibit J-1

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Net Assets by Component,
For the Year Ended June 30, 2015
(accrual basis of accounting)

	2014	2015
Governmental activities		
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476
Restricted	2,875,119	7,191,747
Unrestricted	1,256,681	(13,474,988)
Total governmental activities net assets	<u>\$ 25,935,960</u>	<u>\$ 19,867,235</u>
Business-type activities		
Invested in capital assets, net of related debt		
Restricted		
Unrestricted	415,752	574,217
Total business-type activities net assets	<u>\$ 415,752</u>	<u>\$ 574,217</u>
District-wide		
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476
Restricted	2,875,119	7,191,747
Unrestricted	1,672,433	(12,900,771)
Total district net assets	<u>\$ 26,351,712</u>	<u>\$ 20,441,452</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015
Expenses								
Governmental activities								
Instruction								
Regular	\$ 14,408,815	\$ 14,590,402	\$ 14,599,277	\$ 14,282,597	\$ 14,789,703	\$ 15,418,585	\$ 14,690,444	\$ 15,623,930
Special education	3,020,340	3,043,120	3,201,262	4,451,321	4,679,412	5,086,541	5,325,867	5,281,962
Other special education	516,689	483,361	594,421	492,702	545,467	483,635	484,175	514,988
Vocational								
Other instruction	1,504,184	1,436,489	1,577,970	795,729	776,530	784,016	878,814	881,014
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Tuition	2,047,375	2,142,268	2,416,730	2,412,685	2,767,824	2,517,149	2,798,724	2,651,902
Student & instruction related services	3,610,529	3,383,318	3,890,691	3,746,737	3,951,796	4,079,505	4,086,994	4,209,773
School Administrative services	1,411,707	1,444,997	1,534,022	1,496,572	1,507,235	1,563,798	1,579,456	1,667,121
General administration	1,326,526	1,075,283	847,846	700,443	850,177	690,941	738,722	933,654
Central Services								
Plant operations and maintenance	3,942,387	3,814,751	4,381,275	4,057,042	3,899,941	4,893,280	4,446,902	5,136,202
Administrative information technology								
Pupil transportation	1,518,400	1,538,935	1,445,442	1,393,058	1,498,751	1,567,061	1,689,880	1,578,585
Other support services	564,726	522,699	518,613	517,685	532,330	553,604	543,585	601,257
Special Schools	48,114	43,379	48,549	59,203	62,300	56,397	59,818	60,235
Charter Schools								
Proportionate share of pension plan expense								554,628
Interest on long-term debt	479,400	444,475	427,925	407,750	386,825	4,862	249,494	261,717
Compensated Absences	193,249	202,264	75,898	52,924	57,270	10,297	54,280	75,219
Total governmental activities expenses	34,592,441	34,165,741	35,559,921	34,866,448	36,305,561	37,709,671	37,627,155	40,032,187
Business-type activities:								
Food service	677,258	700,588	614,726	624,338	753,230	704,127	625,144	570,216
Child Care	184,480	262,161	356,981	357,898	425,884	558,836	651,379	614,507
Total business-type activities expense	861,738	962,749	971,707	982,236	1,179,114	1,262,963	1,276,523	1,184,723
Total district expenses	\$ 35,454,179	\$ 35,128,490	\$ 36,531,628	\$ 35,848,684	\$ 37,484,675	\$ 38,972,634	\$ 38,903,678	\$ 41,216,910
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction (tuition)		\$ 76,465	\$ 59,293	\$ 53,960	\$ 75,416	\$ 85,893	\$ 133,328	\$ 72,993
Plant operations and maintenance				21,750	20,913	28,150	25,213	17,675
Pupil transportation		14,663	10,175	11,684	14,203	11,876	14,168	19,234
Central and other support services								
Operating grants and contributions	3,639,938	2,704,269	2,778,225	2,960,363	3,297,083	3,797,872	3,349,657	3,858,763
Capital grants and contributions				137,125	505,153		14,236	488,275
Total governmental activities program revenues	3,639,938	2,795,397	2,847,693	3,184,882	3,912,768	3,923,791	3,536,602	4,456,940

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Changes in Net Assets/Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:								
Charges for services								
Food service	597,113	578,760	484,238	509,778	586,232	519,081	509,507	514,973
Child care	302,645	359,000	375,136	414,544	482,733	559,002	674,452	674,019
Operating grants and contributions	87,586	95,363	97,548	120,565	110,036	123,779	145,130	147,775
Capital grants and contributions								
Total business type activities program revenues	987,344	1,033,123	956,922	1,044,887	1,179,001	1,201,862	1,329,089	1,336,767
Total district program revenues	\$ 4,627,282	\$ 3,828,520	\$ 3,804,615	\$ 4,229,769	\$ 5,091,769	\$ 5,125,653	\$ 4,865,691	\$ 5,793,707
Net (Expense)/Revenue								
Governmental activities	\$ (30,952,503)	\$ (31,370,344)	\$ (32,712,228)	\$ (31,681,566)	\$ (32,392,793)	\$ (33,785,880)	\$ (34,090,553)	\$ (35,575,247)
Business-type activities	125,606	70,374	(14,785)	62,651	(113)	(61,101)	52,566	152,044
Total district-wide net expense	\$ (30,826,897)	\$ (31,299,970)	\$ (32,727,013)	\$ (31,618,915)	\$ (32,392,906)	\$ (33,846,981)	\$ (34,037,987)	\$ (35,423,203)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 28,595,884	\$ 29,692,363	\$ 30,561,479	\$ 31,775,534	\$ 32,411,045	\$ 33,008,662	\$ 33,668,835	\$ 35,932,497
Taxes levied for debt service	1,257,675	1,276,125	928,549	1,093,025	1,107,475	1,111,175	1,003,550	992,595
Unrestricted grants and contributions	1,559,416	1,742,977	1,571,661	426,267	1,057,515	1,413,480	1,624,296	1,557,155
Tuition Received	69,883							
Investment earnings	182,310	103,111	141,386	119,998	113,124	118,420	79,268	80,326
Miscellaneous income	458,024	321,748	386,207	301,103	333,820	444,826	213,244	374,055
Capital lease payments	39,375	70,688	87,821	199,799	358,735	335,529	1,013,277	355,746
Fixed asset adjustment					(314,543)	(312,740)	(376,798)	206,421
GASB #68 Prior Period Adjustment-Pension Plan								(9,992,276)
Capital projects fund adjstment						-		
Repayment of bond principal(net)						-		
Interest expense								
Total governmental activities	32,162,567	33,207,012	33,677,103	33,915,726	35,067,171	36,119,352	37,225,672	29,506,519
Business-type activities:								
Investment earnings	1,932	2,088	2,338	1,702	9,902	8,775	7,137	6,421
Transfers								
Total business-type activities	1,932	2,088	2,338	1,702	9,902	8,775	7,137	6,421
Total district-wide	\$ 32,164,499	\$ 33,209,100	\$ 33,679,441	\$ 33,917,428	\$ 35,077,073	\$ 36,128,127	\$ 37,232,809	\$ 29,512,940
Change in Net Assets								
Governmental activities	\$ 1,210,064	\$ 1,836,668	\$ 964,875	\$ 2,234,160	\$ 2,674,378	\$ 2,333,472	\$ 3,135,119	\$ (6,068,728)
Business-type activities	127,538	72,462	(12,447)	64,353	9,789	(52,326)	59,703	158,465
Total district	\$ 1,337,602	\$ 1,909,130	\$ 952,428	\$ 2,298,513	\$ 2,684,167	\$ 2,281,146	\$ 3,194,822	\$ (5,910,263)

Exhibit J-3

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
For the Year Ended June 30, 2015
(modified accrual basis of accounting)

	2014	2015
General Fund		
Reserved	\$ 1,601,097	\$ 2,355,541
Committed		
Assigned	2,085,651	2,555,726
Unreserved	825,735	869,515
Total general fund	<u>\$ 4,512,483</u>	<u>\$ 5,780,782</u>
All Other Governmental Funds		
Reserved, reported in:		
Capital projects fund		\$ 2,212,584
Assigned, reported in:		
Capital projects fund	\$ 1,135,428	13,698
Debt service fund	3,300	
Unreserved, reported in:		
Special revenue fund	-	-
Capital projects fund	135,294	397,340
Debt service fund		
Permanent fund	-	-
Total all other governmental funds	<u>\$ 1,274,022</u>	<u>\$ 2,623,622</u>

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

Fiscal Year Ending June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Local Tax levy	\$ 36,925,092	\$ 34,672,385	\$ 34,119,837	\$ 33,518,520	\$ 32,868,559	\$ 31,490,028	\$ 30,968,488	\$ 29,853,559	\$ 29,014,328	\$ 27,438,043
Other Local Revenue	564,283	463,338	614,230	691,567	581,371	560,278	627,481	725,910	673,791	747,430
State sources	5,243,023	4,439,084	4,689,262	3,636,571	2,575,611	3,632,502	3,781,473	4,673,580	4,670,431	3,529,053
Federal sources	661,173	549,105	522,090	583,400	794,031	709,825	554,328	496,069	590,649	504,688
Total revenue	43,393,571	40,123,912	39,945,419	38,430,058	36,819,572	36,392,633	35,931,770	35,749,118	34,949,199	32,219,214
Expenditures										
Instruction:										
Regular	11,162,482	11,074,562	10,974,302	10,604,825	10,324,098	10,391,075	10,281,019	9,874,452	9,886,713	10,184,941
Special	2,645,072	2,558,411	2,441,128	2,319,024	2,233,785	2,217,982	2,057,258	1,966,854	1,812,345	1,784,541
Other	290,667	281,888	258,606	342,539	302,307	416,421	312,669	325,464	300,925	225,365
School-Sponsored/Other Instructional	824,934	828,242	727,759	725,798	748,130	776,971	668,375	643,667	645,356	620,295
Total Instruction	14,923,155	14,743,103	14,401,795	13,992,186	13,608,320	13,802,449	13,319,321	12,810,437	12,645,339	12,815,142
Undistributed:										
Instruction	2,651,902	2,798,724	2,517,149	2,767,824	2,412,685	2,416,730	2,142,267	2,047,375	1,616,418	1,497,465
Support Services-Students	3,542,747	3,510,362	3,469,909	3,176,554	3,040,600	3,177,843	3,088,914	2,798,629	2,799,957	2,910,658
Support Services-Instructional Staff	404,976	391,870	384,831	244,464	242,184	240,179	274,733	272,111	236,842	204,985
General Administration	817,493	608,295	546,300	1,099,480	952,334	1,118,199	1,381,969	1,252,551	1,298,922	1,130,489
School Administration	1,270,469	1,221,308	1,163,505	1,146,352	1,156,257	1,215,743	1,133,045	1,089,642	1,077,257	1,127,162
Operations and Maintenance	4,014,545	3,713,559	4,077,495	3,164,271	3,366,796	3,735,964	3,195,926	3,249,126	2,798,923	2,992,546
Student Transportation	1,382,304	1,512,879	1,370,160	1,321,189	1,226,461	1,289,692	1,389,578	1,327,173	1,213,666	1,017,727
Business and Other Support Services:										
Employee Benefits	5,863,891	5,062,854	5,537,967	5,392,788	5,185,713	4,928,433	4,588,218	4,631,337	4,525,984	4,498,172
Other								421,307	393,400	437,737
Food Services										
On-behalf TPAF Pension Contributions	2,051,838	1,659,482	2,059,099	1,394,462	997,852	827,906	879,127	1,997,596	1,929,332	992,340
Reimbursed TPAF Social Security										
Contributions	1,080,758	1,052,864	1,072,966	1,093,330	1,079,420	1,104,685	1,035,687	976,188	958,135	944,824
Total Undistributed	23,080,923	21,532,197	22,199,381	20,800,714	19,660,302	20,055,374	19,109,464	20,063,035	18,848,836	17,754,105
Capital Outlay:										
Equipment			520,063	530,885	532,837	176,955	914,523	462,010	663,857	361,441
Facilities Acquisition and Construction	3,364,293	3,547,654		25,174	15,342	228,086		46,758	160,548	747,597
Services									71,830	98,169
Lease Purchase Agreements										118,792
Assets Acquired Under Capital Leases					1,250,000	50,508	231,388			
Total Capital Outlay	3,364,293	3,547,654	520,063	556,059	1,798,179	455,549	1,145,911	508,768	896,235	1,325,999
Special Schools	60,235	59,818	56,397	62,300	59,203	48,549	43,379	48,115	66,424	51,491
Total General Fund Expenditures	41,428,606	39,882,772	37,177,636	35,411,259	35,126,004	34,361,921	33,618,075	33,430,355	32,456,834	31,946,737
Special Revenue:										
Federal	661,173	549,105	522,090	533,461	782,047	709,825	554,328	509,229	590,649	504,688
State	64,994	88,206	143,717	141,739	109,706	128,250	123,682	140,380	105,699	123,838
Other				134,091	16,988	7,559	111,446	16,545	31,057	32,398
Total Special Revenue Expenditures	726,167	637,311	665,807	809,291	908,741	845,634	789,456	666,154	727,405	660,924
Debt Service Expenditures	995,900	1,003,550	1,107,870	1,107,475	1,103,025	1,097,825	1,266,125	1,257,675	1,254,893	1,242,400
Total Governmental Fund Expenditures	43,150,673	41,523,633	38,951,313	37,328,025	37,137,770	36,305,380	35,673,656	\$ 35,354,184	\$ 34,439,132	\$ 33,850,061

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

Fiscal Year Ending June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (Deficiency) of revenues over (under) expenditures	242,898	(1,399,721)	994,106	1,102,033	(318,198)	87,253	258,114	394,934	510,067	(1,630,847)
Other Financing sources (uses)										
Proceeds from borrowing								-		-
Capital leases (non-budgeted)		1,790,295			1,250,000	50,508	231,388			118,792
Lease Purchase - ESIP	2,375,000									
Proceeds from refunding								-		-
Fund balance adjustment		(5)	(214,065)					-		-
Transfers in	483	1,983,457		536		684	383	848		60,538
Transfers out	(483)	(1,983,457)		(1,033,824)				-		-
Total other financing sources (uses)	<u>2,375,000</u>	<u>1,790,290</u>	<u>(214,065)</u>	<u>(1,033,288)</u>	<u>1,250,000</u>	<u>51,192</u>	<u>231,771</u>	<u>848</u>	<u>-</u>	<u>179,330</u>
Net change in fund balances	<u>\$ 2,617,898</u>	<u>\$ 390,569</u>	<u>\$ 780,041</u>	<u>\$ 68,745</u>	<u>\$ 931,802</u>	<u>\$ 138,445</u>	<u>\$ 489,885</u>	<u>\$ 395,782</u>	<u>\$ 510,067</u>	<u>\$ (1,451,517)</u>
Debt service as a percentage of noncapital expenditures	2.50%	2.64%	2.88%	3.01%	3.12%	3.06%	3.67%	3.61%	3.74%	3.82%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TRANSPORTATION FEES</u>	<u>RENTAL OF FACILITIES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2015	72,993	79,848	19,234	17,675	374,055	563,805
2014	133,228	79,268	14,168	25,213	211,461	463,338
2013	85,893	118,420	11,876	28,150	369,891	614,230

Source: District Records

REVENUE CAPACITY

Exhibit J-6

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

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2005	1,091,083,600	2,310,638,700	47.22%
2006	1,088,120,600	2,525,227,700	43.09%
2007	1,091,066,500	2,810,656,896	39.11%
2008	1,091,537,131	3,033,248,401	35.99%
2009	1,091,066,500	3,018,340,543	36.15%
2010	1,100,810,619	2,911,049,232	37.81%
2011	1,110,094,577	2,828,141,764	39.25%
2012	1,108,732,175	2,811,225,426	39.22%
2013	1,107,981,757	2,674,955,492	41.42%
2014	1,111,606,018	2,513,244,445	44.23%

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

Exhibit J-7

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

Assessment Year	Township of Springfield School District	Regional High School	Springfield Township	Open Spaces	Union County	Total
2005	2.52	-	1.45	0.03	0.84	4.83
2006	2.67	-	1.58	0.04	0.85	5.08
2007	2.74	-	1.60	0.04	0.86	5.24
2008	2.84	-	1.70	0.04	0.91	5.49
2009	2.85	-	1.78	0.04	0.95	5.62
2010	2.99	-	1.73	0.04	1.02	5.78
2011	3.02	-	1.96	0.04	1.09	6.11
2012	3.08	-	2.02	0.04	1.14	6.27
2013	3.13	-	2.02	0.04	1.18	6.37
2014	3.32	-	2.05	0.03	1.16	6.57

Source: Tax Collector.

Exhibit J-8

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2013**

<u>Taxpayer</u>	<u>Assessed Valuation 2013</u>	<u>As a % of District's Net Assessed Valuation</u>
Baltusrol Golf Club	\$ 22,802,900	2.05%
Springfield Gardens, LLC	16,869,700	1.52%
Short Hills Club Village, LLC	12,244,000	1.10%
Skyline Ridge Developers, LLC	9,855,000	0.89%
Toresco Automotive Property Holding	9,780,300	0.88%
Segal Realty Company, LLC	9,120,000	0.82%
The Villas	6,600,000	0.59%
ARC Springfield LLC	6,351,700	0.57%
22 Springfield Associates	6,237,400	0.56%
Briant Park Commons	6,182,400	0.56%
Total	\$ 106,043,400	9.54%

Source: Municipal Tax Collector

Exhibit J-9

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2005	52,750,693	51,940,527	98.46%
2006	55,309,437	54,761,561	99.01%
2007	57,173,743	56,792,292	99.33%
2008	59,975,974	59,307,135	98.88%
2009	62,057,320	61,665,501	99.37%
2010	64,609,405	64,026,431	99.10%
2011	67,881,993	67,181,452	98.97%
2012	69,674,450	69,150,646	99.25%
2013	71,072,355	70,226,764	98.81%
2014	73,380,892	72,720,341	99.10%

Source: Township of Springfield Tax Collector.

DEBT CAPACITY

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
For the Year Ended June 30, 2015**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Lease Purchase ESIP	Capital Leases			
2015	\$ 6,760,000	\$ 986,473	\$ 2,375,000	\$ -	\$ 10,121,473	1.08%	\$ 589

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

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

Exhibit J-11

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

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2005	14,738	1,091,083,600	13,879,000	1.27%	942
2006	14,717	1,088,120,600	13,139,000	1.21%	893
2007	14,735	1,091,066,500	12,369,000	1.13%	839
2008	14,829	1,091,537,131	11,564,000	1.06%	780
2009	15,200	1,091,066,500	10,904,000	1.00%	717
2010	15,817	1,100,810,619	10,219,000	0.93%	646
2011	15,907	1,110,094,577	9,509,000	0.86%	598
2012	16,862	1,108,732,175	8,285,000	0.75%	491
2013	16,824	1,107,981,757	7,530,000	0.68%	448
2014	17,193	1,111,606,018	6,760,000	0.61%	393

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

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

Exhibit J-12

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Net Direct Debt of School District as of June 30, 2015		\$	6,760,000
Net Overlapping Debt of School District:			
Township of Springfield (100%)	\$		227,400,000
* County of Union - Township's share (9.63%)			<u>22,411,217</u>
			<u>249,811,217</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2015		\$	<u><u>256,571,217</u></u>

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

* Since updated information was not available at the time of the Audit, prior year information was reported.

Exhibit J-13

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
FOR FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Equalized Valuation Basis		\$ 2,513,244,445
School borrowing margin (4% of \$2,513,244,445)	\$ 100,529,778	
Net bonded school debt as of June 30, 2015	<u>6,760,000</u>	
School borrow margin available	<u>\$ 93,769,778</u>	

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Union County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2005	1.60%	44,062	14,717
2006	1.70%	47,851	14,717
2007	1.50%	51,054	14,735
2008	5.80%	51,539	14,829
2009	3.50%	49,040	15,200
2010	3.50%	49,040	15,817
2011	3.50%	50,448	15,907
2012	3.50%	51,860	16,862
2013	6.80%	53,816	16,824
2014	4.50%	54,382	17,193

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

Exhibit J-15

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Principal Employers,
Current Year

<u>2015</u>			
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A
	<u>-</u>		<u>0.00%</u>

N/A - Data Not Available

OPERATING INFORMATION

Exhibit J-16

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2015

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction				
Regular	141	143	143	144
Special education	93	94	94	105
Other special education	8	8	8	8
Vocational	-			
Other instruction	2	2	2	2
Nonpublic school programs	-			
Adult/continuing education programs	-			
Support Services:				
Student & instruction related services	13	13	13	13
General administration	4	4	4	4
School administrative services	14	14	14	14
Other administrative services	-			
Central services	-			
Administrative Information Technology	1	1	1	1
Plant operations and maintenance	29	29	29	29
Pupil transportation	7	7	7	7
Other support services	6	6	6	6
Special Schools	-			
Food Service	-			
Child Care	17	17	17	17
Total	<u>335</u>	<u>338</u>	<u>338</u>	<u>350</u>

Source: District Personnel Records

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Operating Statistics,
For the Year Ended June 30, 2015

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	2,172	\$ 35,664,491	\$ 16,420	-0.08%	207	20:1	21:1	23:1	2171.7	2070.2	1.48%	95.33%
2013	2,251	\$ 37,323,380	\$ 16,581	0.90%	207	20:1	21:1	23:1	2,251.1	2,137.1	3.04%	94.94%
2014	2,311	\$ 36,972,429	\$ 15,998	-3.51%	207	20:1	21:1	23:1	2,311.1	2,204.5	6.49%	95.39%
2015	2,293	\$ 38,887,895	\$ 16,959	6.01%	207	20:1	21:1	23:1	2,293.0	2,191.0	2.51%	95.55%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

District Building

Elementary/Middle Schools

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Walton										
Square Feet	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00
Capacity (students)	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65
Enrollment	578.00	566.00	556.00	543.00	629.00	659.00	631.00	667.00	634.00	640.00
Sandmeier										
Square Feet	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00
Capacity (students)	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30
Enrollment	233.00	232.00	228.00	227.00	234.00	215.00	237.00	243.00	240.00	288.00
Caldwell										
Square Feet	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00
Capacity (students)	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70
Enrollment	233.00	221.00	223.00	226.00	212.00	225.00	238.00	273.00	245.00	261.00
FMG										
Square Feet	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00
Capacity (students)	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45
Enrollment	470.00	449.00	453.00	448.00	481.00	479.00	470.00	444.00	492.00	518.00

High School

JDHS										
Square Feet	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00
Capacity (students)	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35
Enrollment	535.50	553.00	550.00	575.00	589.00	608.00	596.00	624.00	618.00	605.00

Number of Schools at June 30, 2015

Elementary	3
Middle Sch	1
High Sch	1

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

Exhibit J-19

**Township of Springfield School District
General Fund
Schedule Of Required Maintenance For School Facilities
For the Years Ended June 30, 2014 and 2015**

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

<u>*School Facilities</u>	<u>School Number</u>	<u>2014</u>	<u>2015</u>
Jonathan Dayton High School	010	616,438	333,975
Edward V. Walton	050	153,285	162,000
Florence M. Gaudineer	060	206,124	652,215
James Caldwell	070	64,535	78,875
Thelma L. Sandmeir	090	51,803	50,785
 Total School Facilities		<u>\$1,092,185</u>	<u>\$1,277,850</u>

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

Exhibit J-20

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
June 30, 2015
UNAUDITED**

Type of Policy	Coverage	Deductible
Multi Peril Package Policy		
Zurich Insurance:		
Property - Building and Contents	\$ 142,345,676	\$ 5,000
Liability - Bodily Injury & Property Damage	1,000,000	1,000
Liability - Employee Benefit Programs	1,000,000	
Crime - Employee Dishonesty	500,000	
Crime - Forgery	100,000	
Crime - Computer Fraud	50,000	
Inland Marine - Electronic Data Processing Hardware (software included)	3,000,000	
Errors & Omissions Liability		
NJSBAIG:		
Each Claim	10,000,000	
Workers Compensation		
NJSBAIG:		
Each Accident; Each Employee	2,000,000	
Umbrella		
Zurich Insurance:		
Limit	10,000,000	
CAP		
Firemans Fund:		
Limit	50,000,000	
Student Accident		
Bollinger:		
Compulsory Coverage	5,000,000	
Public Official Bonds		
Selective Insurance:		
Treasurer	245,000	
Board Secretary	105,000	
Travel Accident		
Chubb:		
Member (per week)	1,500	
Environmental Site Liability		
Chubb:		
Each Incident	1,000,000	10,000

Source: District records.

SINGLE AUDIT SECTION

Certified Public Accountants

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K-1

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
Township of Springfield School District
County of Union
Springfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Township of Springfield School District's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Springfield School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Springfield School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Springfield School District's internal control.

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Springfield School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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



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

November 30, 2015

Certified Public Accountants

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New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and the New Jersey Circular 04-04-OMB

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

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of the Township of Springfield School District, in the County of Union, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2015. The Township of Springfield School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Springfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State Aid/Grant Compliance

Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Springfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Springfield School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Springfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and which are described in the accompanying schedule of findings and questioned costs as items. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the Township of Springfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Springfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of internal control over

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by OMB Circular A-133 and State Financial Assistance

We have audited the financial statements of the Township of Springfield School District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 30, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

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



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

November 30, 2015

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014 Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Deferred Revenue June 30, 2014	(Accounts Receivable) June 30, 2015	Due to Grantor at June 30, 2015
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	7/1/14-6/30/15	\$ 9,033	\$	\$	\$	\$ 9,033	\$ (9,033)	\$	\$	\$	\$	\$
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	133,255				122,423	(133,255)				(10,832)	
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	120,870	(8,866)			8,866						
Total U.S. Department of Agriculture					(8,866)	0	0	0	140,322	(142,288)	0	0	(10,832)	0
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Title I - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	97,552				49,724	(97,552)				(47,828)	
NCLB Title I - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	86,091	(86,091)			86,091						
NCLB Title II - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	28,418				17,350	(28,418)				(11,068)	
NCLB Title II - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	27,901	(27,901)			27,901						
NCLB Title III - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	10,237				7,128	(10,237)				(3,109)	
NCLB Title III - Part A	84.000	IASA-5000-14	9/1/13-8/31/14	6,693	(6,693)			6,693						
NCLB Title III - Part A	84.000	IASA-5000-13	9/1/12-8/31/13	8,094	(1,778)								(1,778)	
NCLB Title III - Immigrant	84.000	IASA-5000-15	9/1/14-8/31/15	12,948				3,326	(12,948)				(9,622)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-15	9/1/14-8/31/15	464,544				247,475	(464,544)				(217,069)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-14	9/1/13-8/31/14	418,223	(274,530)			274,530	(13,410)				(13,410)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-13	9/1/12-8/31/13	431,352	(167)								(167)	
I.D.E.A. Part B, Preschool	84.173	PS-5000-15	9/1/14-8/31/15	15,850				7,280	(15,850)				(8,570)	
Total U.S. Department of Education					(397,160)	0	0	0	727,498	(642,959)	0	0	(312,621)	0
Total Federal Financial Assistance					\$ (406,026)	\$ 0	0	0	\$ 867,820	\$ (785,247)	\$ 0	\$ 0	(323,453)	\$ 0

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2014		Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Deferred Revenue June 30, 2015	GAAP (Accounts Receivable) June 30, 2015	Due to Grantor at June 30, 2015	Memo		
				Deferred Revenue (Accounts Receivable)	Due to Grantor								Budgetary Accounts Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 743,150	\$	\$	\$	\$ 679,430	\$ (743,150)	\$	\$	\$	\$	\$ (68,220)	\$ 743,150	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	741,350	(69,887)			69,887	(743,150)						741,350	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	39,644				36,065	(39,644)					(3,579)	39,644	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	39,644	(3,678)			3,678							39,644	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	68,276				62,014	(68,276)					(6,262)	68,276	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	68,276	(6,130)			6,130							68,276	
School Choice	15-495-034-5120-068	7/1/14-6/30/15	403,274				366,296	(403,274)					(36,978)	403,274	
School Choice	14-495-034-5120-068	7/1/13-6/30/14	458,898	(42,913)			42,913							458,898	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	228,343					(228,343)						228,343	
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	306,683	(306,683)			306,683							306,683	
NonPublic Transportation	15-100-034-5120-473	7/1/14-6/30/15	24,744					(24,744)		(24,774)			(24,774)	24,744	
NonPublic Transportation	14-100-034-5120-068	7/1/13-6/30/14	22,311	(22,311)			22,311							22,311	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,200				21,077	(23,200)					(2,123)	23,200	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,200				21,077	(23,200)					(2,123)	23,200	
On Behalf of TPAF Pension Contributions	15-495-034-5095-006	7/1/14-6/30/15	792,980				792,980	(792,980)						792,980	
On Behalf of TPAF Post Retirement Medical Benefits	15-495-034-5095-001	7/1/14-6/30/15	1,258,858				1,258,858	(1,258,858)						1,258,858	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	1,052,864	(54,282)			54,282							1,052,864	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	1,080,758				1,027,935	(1,080,758)			(52,823)		(52,823)	1,080,758	
Total General Fund				\$ (505,884)	\$ 0	\$ 0	\$ 4,771,616	\$ (4,686,427)	\$ 0	\$ 0	\$ (77,597)	\$ 0	\$ (196,882)	\$ 7,376,453	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	10,188				10,188	(10,139)					(49)	10,139	
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	9,654		78				(78)					9,567	
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	16,219				16,219	(14,820)				(1,399)		14,820	
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	13,587		2,174				(2,174)					11,413	
Technology Services	15-100-034-5120-373	7/1/14-6/30/15	5,472				5,472	(5,319)					(153)	5,319	
Technology Services	14-100-034-5120-373	7/1/13-6/30/14	3,520		20				(20)					3,500	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	14,765				14,765	(3,425)				(11,340)		3,425	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	8,124		1,596				(1,596)					6,528	
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	7,847				7,847	(4,232)					(3,615)	4,232	
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	7,632		2,775				(2,775)					4,857	
Auxiliary Services:															
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	45,686				45,686	(21,285)					(24,501)	21,285	
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	42,799		856				(856)					41,943	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	822				822	(786)					(36)	786	
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14		(645)			645							645	
Transportation	15-100-034-5120-068	7/1/14-6/30/15	3,569				3,569	(3,212)					(357)	3,212	
Handicapped Services:															
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	4,418				4,418	(2,562)					(1,856)	2,562	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	6,250		1,563				(1,563)					4,687	
Total Special Revenue Fund				\$ (645)	\$ 9,062	\$ 0	\$ 109,631	\$ (65,780)	\$ (9,062)	\$ 0	\$ 0	\$ (43,306)	\$ 0	\$ 148,920	
Enterprise Fund:															
National School Lunch Program (State)	15-100-034-5120-122	7/1/14-6/30/15	5,487				5,054	(5,487)			(433)				
National School Lunch Program (State)	14-100-034-5120-122	7/1/13-6/30/14	4,328	(303)			303								
Total Enterprise Fund				\$ (303)	\$ 0	\$ 0	\$ 303	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Total State Financial Assistance				\$ (506,832)	\$ 9,062	\$ 0	\$ 4,881,550	\$ (4,752,207)	\$ (9,062)	\$ 0	\$ (77,597)	\$ (43,306)	\$ (196,882)	\$ 7,525,373	

See accompanying notes to schedules of financial assistance.

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2015

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is \$3,324 and for the Special Revenue Fund is \$18,214. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,689,751	\$ 4,689,751
Special Revenue Fund	661,173	64,994	\$ 726,167
Capital Projects Fund	-	488,278	488,278
Food Service	<u>142,288</u>	<u>5,487</u>	<u>147,775</u>
Total Financial Assistance	<u>\$ 803,461</u>	<u>\$ 5,248,510</u>	<u>\$ 6,051,971</u>

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. 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, 2015.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 BOARD OF EDUCATION
 COUNTY OF UNION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated
November 30, 2015

Internal control over financial reporting:

- 1. Material weakness(es) identified? _____ yes no

- 2. Significant Deficiencies identified that are not
 considered to be material weaknesses? _____ yes none reported

Noncompliance material to general-purpose financial
 statements noted? _____ yes no

Federal Awards and State Financial Assistance

Internal control over major programs:

- 1. Material weakness(es) identified? _____ yes no

- 2. Significant Deficiencies identified that are not
 considered to be material weaknesses? _____ yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
November 30, 2015

Any audit findings disclosed that are required to be reported
 in accordance with section .510(a) of Circular A-133? _____ yes no

Any audit findings disclosed that are required to be reported
 in accordance with NJOMB Circular Letter 04-04? _____ yes no

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 BOARD OF EDUCATION
 COUNTY OF UNION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Federal Awards and State Financial Assistance (Continued)

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

Identification of major programs:

Federal Awards: Name of Federal/State Program or Cluster

CFDA Number

84.027 I.D.E.A. Part B, Basic Regular

State Financial Assistance:

State Grant Number

15-495-034-5120-089 Special Education Aid
(State Aid Public Cluster)

15-495-034-5120-084 Security Aid
(State Aid Public Cluster)

15-495-034-5120-014 Transportation Aid
(State Aid Public Cluster)

15-495-034-5120-068 School Choice
(State Aid Public Cluster)

15-495-034-5095-002 Reimbursed TPAF Social Security Contributions

15-495-034-5120-098 PARCC Readiness Aid

15-495-034-5120-097 Per Pupil Growth Aid

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section II - Schedule of Financial Statement Findings

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

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Sheet 4

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Follow-up on Prior Year Findings

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

N/A