

**THE TOWNSHIP OF SPRINGFIELD
SCHOOL DISTRICT
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016***

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION

SPRINGFIELD, NEW JERSEY

For the Fiscal Year Ended June 30, 2016

Prepared by

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

STATE BOARD OF EDUCATION

MARK W. BIEDRON..... Hunterdon
President

JOSEPH FISICARO..... Burlington
Vice President

ARCELIO APONTE..... Middlesex

RONALD K. BUTCHER..... Gloucester

JACK FORNARO..... Warren

EDITHE FULTON..... Ocean

ERNEST P. LEPORE, PH.D..... Hudson

ANDREW J. MULVIHILL..... Sussex

J. PETER SIMON..... Morris

DOROTHY S. STRICKLAND..... Essex

**David C. Hespe, Commissioner of Education
Secretary, State Board of Education**

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

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	8
Required Supplementary Information - Part I	
Management's Discussion and Analysis	11
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	20
A-2 Statement of Activities	21
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds:	
B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26
B-6 Statement of Cash Flows	27
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule – General Fund	63
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	American Recovery and Reinvestment Act - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	72

Notes to Required Supplementary Information - Part II

C-3	Budget-to-GAAP Reconciliation	74
-----	-------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):

L-1	Schedule of District's Proportionate Share of Net Pension Liability - PERS	75
L-2	Schedule of District's Contributions - PERS	76
L-3	Schedule of District's Proportionate Share of Net Pension Liability - TPAF	77

Notes to Required Supplementary Information - Part III

Other Supplementary Information

D. School Based Budget Schedules

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	79
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A

F. Capital Projects Fund:

F-1	Summary Schedule of Project Expenditures	81
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	82
F-2(a)	Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Schedule of Net Position	N/A
G-2	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3	Combining Schedule of Cash Flows	N/A

Internal Service Fund:

G-4	Combining Schedule of Net Position	N/A
G-5	Combining Schedule of Revenues, Expense and Changes in Fund Net Position	N/A
G-6	Combining Schedule of Cash Flows	N/A

H. Fiduciary Fund:

H-1	Combining Statement of Fiduciary Net Position	83
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	84
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	85
H-5	Liquidation of Merged Non-Operating District, Schedule of Liquidation Period Receipts, Disbursements and Fund Balance	N/A

I. Long-Term Debt:

I-1	Schedule of Serial Bonds & Loans	86
I-2	Schedule of Obligations Under Capital Leases	87
I-3	Debt Service Fund Budgetary Comparison Schedule	88

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1	Net Assets by Component	89
J-2	Changes in Net Assets/Net Position	90
J-3	Fund Balances - Governmental Funds	92
J-4	Changes in Fund Balances - Governmental Funds	93
J-5	General Fund Other Local Revenue by Source	95

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	96
J-7	Direct and Overlapping Property Tax Rates	97
J-8	Principal Property Tax Payers	98
J-9	Property Tax Levies and Collections	99

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	100
J-11	Ratios of General Bonded Debt Outstanding	101
J-12	Direct and Overlapping Governmental Activities Debt	102
J-13	Legal Debt Margin Information	103

Demographic and Economic Information

J-14	Demographic and Economic Statistics	104
J-15	Principal Employers	105

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	106
J-17	Operating Statistics	107
J-18	School Building Information	108
J-19	Schedule of Required Maintenance Expenditures by School Facility	109
J-20	Insurance Schedule	110
J-21	Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios	N/A

SINGLE AUDIT SECTION

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	111
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	113
K-3	Schedule of Expenditures of Federal Awards, Schedule A	117
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	118
K-5	Notes to the Schedules of Awards and Financial Assistance	119
K-6	Schedule of Findings and Questioned Costs	121
K-7	Summary Schedule of Prior Audit Findings	125

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, 2016

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, 2016. 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 2015-2016 fiscal year with an enrollment of 2,270 students, which is 23 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>
2015-16	2,270	(1.00)%
2014-15	2,293	(0.78)%
2013-14	2,311	2.67%
2012-13	2,251	3.66%
2011-12	2,172	(0.06)%
2010-11	2,185	(0.32)%
2009-10	2,192	6.12%
2008-09	2,066	0.62%
2007-08	2,055	(0.19)%
2006-07	2,067	(1.34)%
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 stable, 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. In addition to the rigorous instruction taking place in the classroom, the district has begun a number of facility projects that improve our efficiencies and add to our well maintain properties.

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, 2016.

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:

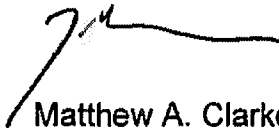
A) INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cannone & Company, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, 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:

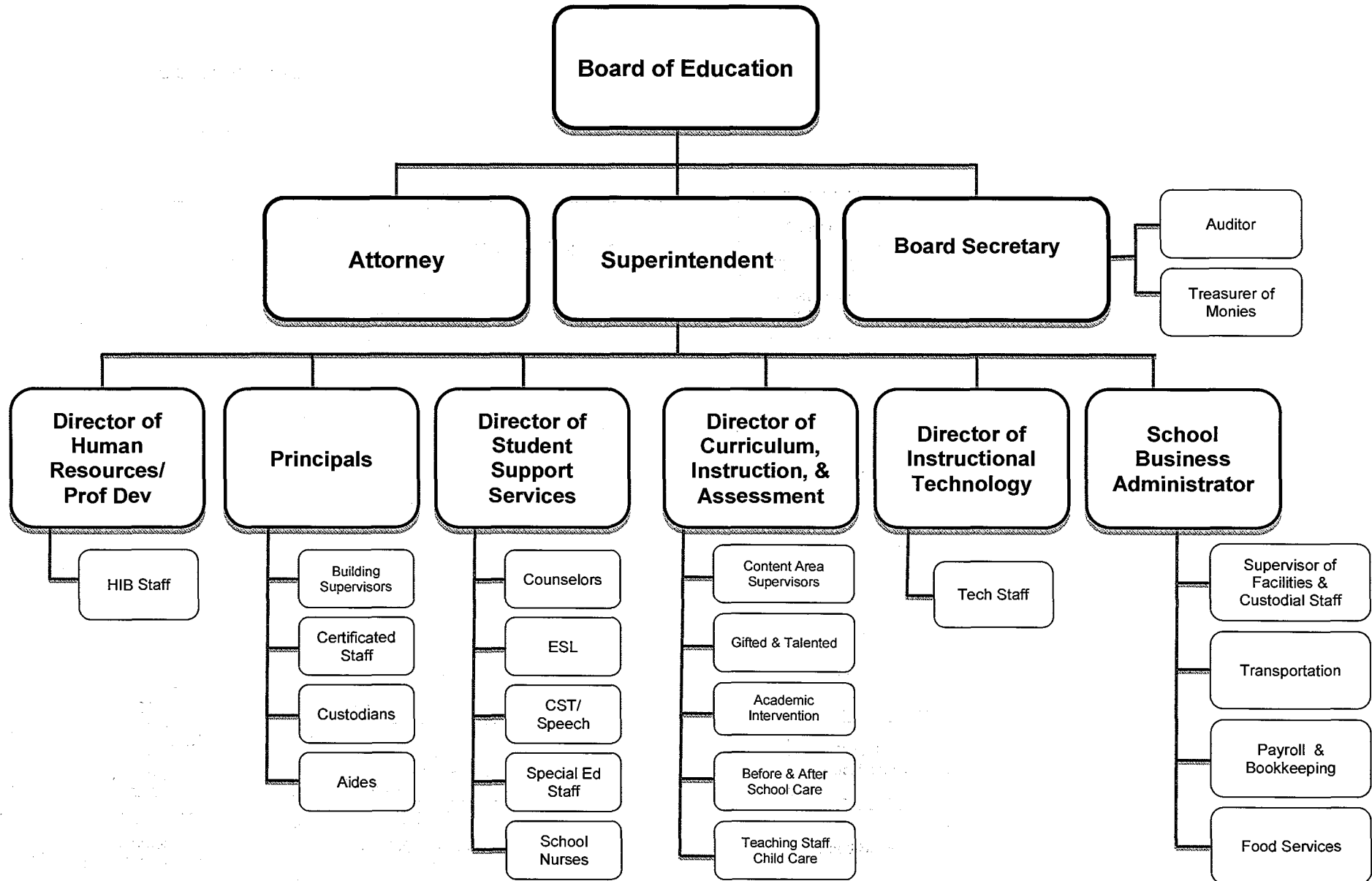
We would like to express our appreciation to the members of the Township of Springfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robin Cornelison, Vice President	2018
Scott Donner	2016
Marc Miller	2017
Hector Munoz	2018
Jacqueline Shanes	2018
Scott Silverstein	2016
Patricia Venezia	2016
Steven Wolcott, President	2017
Elissa Zylbershlag	2017
 <u>Other Officials</u>	
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, 2016

Architect

Design Idea (DI) 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
Dean Witter – New Jersey Cash Management

FINANCIAL SECTION

CANNONE AND COMPANY, P.A.
Certified Public Accountants
 485 Morris Avenue
 Springfield, New Jersey 07081
 (973) 379-6868
 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, 2016, 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 generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2016, 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 63 through 74 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.

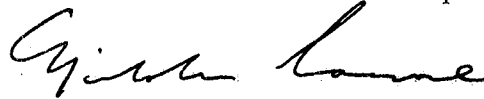
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Springfield School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules 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, 2016 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, 2016

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, 2016 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, 2016. 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 (GASB) 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net assets increased \$5,240,577, which represents a 20.4 percent increase from 2015.
- General revenues accounted for \$34,869,565 in revenue or 84.8 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,431,561 or 15.6 percent of total revenues of \$41,142,049.
- Total assets of governmental activities totaled \$49,025,288 as unrestricted cash and cash equivalents totaled \$3,709,827, receivables totaled \$398,781, restricted assets totaled \$4,963,815, other assets totaled \$0, net capital assets totaled \$38,263,085 and deferred outflow related to pensions totaled \$1,689,781.
- The School District had \$41,142,049 in expenses; only \$6,042,211 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$37,628,163 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$42,234,804 in revenues and \$40,434,353 in expenditures. The General Fund's fund balance increased \$1,800,451 over 2015. 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, 2016 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 2016?" 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, 2016 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, 2016 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 2016 and comparison data for 2015.

	2016	2015
Assets		
Current and Other Assets	\$ 9,072,422	\$ 9,047,329
Capital Assets and deferred pension	39,952,866	33,896,949
Total Assets	\$ 49,025,288	\$ 42,944,278
Liabilities		
Long-term Liabilities	\$ 10,370,702	\$ 10,677,335
Other Liabilities	1,661,707	1,278,587
Total Liabilities	\$ 12,032,409	\$ 11,955,922
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 27,926,260	\$ 26,150,476
Restricted	8,059,385	7,191,747
Unrestricted	-10,303,616	-12,900,771
Total Net Assets	\$ 25,682,029	\$ 20,441,452

Table 1 Net Assets

The District's combined net assets were \$25,682,029 on June 30, 2016. Total assets increased by \$6,081,010 from the previous year, 2015. Total liabilities increased by \$76,487 from the previous year, 2015. In total, the net assets increased by \$5,240,577 from the 2015 year.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016 UNAUDITED

Table 2 shows changes in net assets for fiscal year 2016 and revenue and expense comparisons to fiscal year 2015.

Table 2

	<i>2016</i>	<i>2015</i>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,489,831	\$ 1,298,894
Operating Grants and Contributions	4,552,380	4,006,538
General Revenues:		
Property Taxes	37,628,163	36,925,092
Grants and Entitlements	1,485,976	1,557,155
Other	836,926	1,022,969
GASB 68	0.00	-9,992,276
Total Revenues	\$ 25,682,029	\$ 20,441,452
Program Expenses		
Instruction	22,887,879	\$ 22,301,894
Support Services:		
Pupils and Instructional Staff	6,654,399	\$ 6,861,675
General Administration, School Administration, Business Operations and Maintenance of Facilities	8,330,301	8,338,234
Pupil Transportation	1,885,257	1,578,585
Special Schools	69,810	60,235
Interest on Debt	175,947	261,717
Food Service & Before/Aftercare	1,402,172	1,184,723
Total Expenses	41,405,765	\$ 40,587,063
Increase (Decrease) in Net Assets	5,240,577	\$ (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, 2016 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 \$703,071 (which included voter approved construction for debt of \$987,800) from the previous year 2015.

On the expense side, interest on debt increased by \$175,947.

Overall, net assets increased by \$5,240,577 from the previous year 2015.

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 when exceeding 2 percent plus other available adjustments. In 2016, the Board requested 1.97 percent below the requirement. Property taxes made up 84.9 percent of revenues for governmental activities for the Springfield School District for fiscal year 2016. The District's total revenues were \$44,314,019 for the year ended June 30, 2016. Federal, state, and local grants accounted for another 15.1 percent of revenue.

Business-Type Activities

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

- Food service revenues received were \$608,166. An increase of \$93,193 from the previous year 2015.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$185,837.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016 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 \$44,314,019 and expenditures were \$45,181,582. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$867,563.

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, 2016, and the amount and percentage for those revenues.

<i>Revenue</i>	<i>2016</i>		<i>2015</i>	
	<i>Amount</i>	<i>Percent of Total</i>	<i>Amount</i>	<i>Percent of Total</i>
Local sources	\$38,072,150	85.9	\$37,489,375	86.4
State Sources	5,611,421	12.7	5,243,023	12.1
Federal Sources	630,448	1.4	661,173	1.5
Total	\$44,314,019	100.00	\$43,393,571	100.00

Local revenues were the largest component of Total Revenues. The Local Tax Levy of \$37,628,163 represented 98.8 percent of the local source of revenues.

State sources largest component was for non-budgeted unallocated benefits, \$3,665,032 which represented 65.3% 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, 2016 UNAUDITED

Capital Assets

At the end of the fiscal year 2016, the School District had \$38,263,085 invested in land, building, furniture and equipment, and vehicles.

Overall capital assets (net) increased \$4,366,136 from fiscal year 2015 to fiscal year 2016. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016, the School District had \$11,951,114 of outstanding debt. Of this amount, \$1,614,289 is for compensated absences; \$4,361,825 for various capital leases, and \$5,975,000 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 2016-17 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, 2016 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.

Exhibit A-1

Springfield Board of Education
Statement of Net Position
6/30/2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,709,827	\$ 723,805	\$ 4,433,632
Investments			-
Receivables, net	398,781	38,734	437,515
Inventory		5,802	5,802
Restricted assets:			-
Cash and cash equivalents	2,003,792		2,003,792
Capital reserve account - cash	2,960,022		2,960,022
Capital assets, net (Note 4):	38,263,085	-	38,263,085
Deferred outflows of resources related to pensions	1,689,781		1,689,781
Other assets			-
Total Assets	49,025,288	768,341	49,793,629
LIABILITIES			
Accounts payable	-	14,747	14,747
Accrued Interest Expense	18,377		18,377
Payable to federal government			-
Payable to state\local government	27,392		27,392
Deferred revenue	8,190	12,589	20,779
Deferred inflows of resources related to pensions	516,514		516,514
Pension Plan Liability for PERS - non current	11,562,677		11,562,677
Noncurrent liabilities (Note 5):			-
Due within one year	1,580,412		1,580,412
Due beyond one year	10,370,702		10,370,702
Total liabilities	24,084,264	27,336	24,111,600
NET ASSETS			
Invested in capital assets, net of related debt	27,926,260		27,926,260
Restricted for:			-
Debt service	-		-
Capital projects	4,415,075		4,415,075
Other purposes	3,644,310		3,644,310
Unrestricted (Deficit)	(11,044,621)	741,005	(10,303,616)
Total net assets	\$ 24,941,024	\$ 741,005	\$ 25,682,029

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, 2016

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	\$ 15,167,374		\$ 1,991,638		\$ (13,175,736)		\$ (13,175,736)
Special education	6,112,962		1,042,638		(5,070,324)		(5,070,324)
Other special instruction	614,758		94,785		(519,973)		(519,973)
Vocational					-		-
Other instruction	992,785		52,659		(940,126)		(940,126)
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	2,461,704	80,550			(2,381,154)		(2,381,154)
Student & instruction related services	4,192,695		373,882		(3,818,813)		(3,818,813)
School administrative services	1,755,917		168,507		(1,587,410)		(1,587,410)
General and business administrative serv	961,219		42,127		(919,092)		(919,092)
Plant operations and maintenance	5,019,593	20,950	368,610	389,350	(4,240,683)		(4,240,683)
Pupil transportation	1,885,257	12,919	168,507		(1,703,831)		(1,703,831)
Business and other support services	593,572		63,190		(530,382)		(530,382)
Special schools	69,810				(69,810)		(69,810)
Proportionate share of pension plan expense	(157,494)				157,494		157,494
Compensated absences	(106,222)				106,222		106,222
Interest on long-term debt	175,947				(175,947)		(175,947)
Unallocated depreciation					-		-
Total governmental activities	<u>39,739,877</u>	<u>114,419</u>	<u>4,366,543</u>	<u>389,350</u>	<u>(34,869,565)</u>	<u>-</u>	<u>(34,869,565)</u>
Business-type activities:							
Food Service	705,519	608,166	185,837			88,484	88,484
Before/After Care	696,653	767,246				70,593	70,593
Total business-type activities	<u>1,402,172</u>	<u>1,375,412</u>	<u>185,837</u>	<u>-</u>	<u>-</u>	<u>159,077</u>	<u>159,077</u>
Total primary government	<u>\$ 41,142,049</u>	<u>\$ 1,489,831</u>	<u>\$ 4,552,380</u>	<u>\$ 389,350</u>	<u>\$ (34,869,565)</u>	<u>\$ 159,077</u>	<u>\$ (34,710,488)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 36,640,363		\$ 36,640,363
Taxes levied for debt service					987,800		987,800
Federal and State aid not restricted					1,485,976		1,485,976
Investment Earnings					95,163	7,711	102,874
Miscellaneous Revenues					234,404	-	234,404
Adjustments:							
Capital lease payments					355,746		355,746
Lease purchase payments					143,902		143,902
					-		-
					-		-
Total general revenues, special items, extraordinary items and transfers					<u>39,943,354</u>	<u>7,711</u>	<u>39,951,065</u>
Change in Net Assets					<u>5,073,789</u>	<u>166,788</u>	<u>5,240,577</u>
Net Assets—beginning					<u>19,867,235</u>	<u>574,217</u>	<u>20,441,452</u>
Net Assets—ending					<u>\$ 24,941,024</u>	<u>\$ 741,005</u>	<u>\$ 25,682,029</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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	4,078,288	(150,178)	(218,283)		3,709,827
Investments					0
Capital Reserve Account	2,960,022				2,960,022
Receivables, net					0
Due from other funds	80,456				80,456
Receivables - State	211,391				211,391
Receivables - Federal		185,760			185,760
Accounts Receivable - Other	1,630				1,630
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	250,000		1,753,792		2,003,792
Other assets					0
	<u>7,581,787</u>	<u>35,582</u>	<u>1,535,509</u>		<u>9,152,878</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					0
Accrued Interest					0
Interfund payable			80,456		80,456
Payable to federal government					0
Payable to state government		27,392			27,392
Payable to local government					0
Deferred revenue		8,190			8,190
Total liabilities	<u>0</u>	<u>35,582</u>	<u>80,456</u>		<u>116,038</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					0
Reserve for Excess Surplus	150,906				150,906
Maintenance Reserve	250,000				250,000
Escrow - Lease Purchase Fund			1,753,792		1,753,792
Reserve for Capital Reserve	2,960,022				2,960,022
Committed Fund Balance					0
Reserve for Impact Aid					0
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	207,093				207,093
Reserve for encumbrances	3,243,404		47,220		3,290,624
Unrestricted Fund Balance	<u>770,362</u>		<u>(345,959)</u>		<u>424,403</u>
Total Fund balances	<u>7,581,787</u>	<u>0</u>	<u>1,455,053</u>		<u>9,036,840</u>
Total liabilities and fund balances	<u>7,581,787</u>	<u>35,582</u>	<u>1,535,509</u>		<u>9,152,878</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. (18,377)

The net pension liability for PERS is not due and payable in the current period and is not reported in the governmental funds (11,562,677)

Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,689,781
Deferred inflows of resources related to pensions	(516,514)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$53,585,085 and the accumulated depreciation is \$15,322,000. (See Note 4) 38,263,085

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) (11,951,114)

Net assets of governmental activities 24,941,024

Springfield Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	36,640,363			\$ 987,800	\$ 37,628,163
Transportation Fees	12,919				12,919
Rental Facilities	20,950				20,950
Interest on Investments	94,609		554		95,163
Tuition charges	80,550				80,550
Miscellaneous	234,405				234,405
Total - Local Sources	37,083,796	-	554	987,800	38,072,150
State sources	5,151,008	71,063	389,350		5,611,421
Federal sources		630,448			630,448
Total revenues	42,234,804	701,511	389,904	987,800	44,314,019
EXPENDITURES					
Current:					
Regular instruction	11,233,057	502,610			11,735,667
Special education instruction	2,846,913				2,846,913
Other special instruction	363,631				363,631
Vocational education					-
Other instruction	853,270				853,270
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					
Tuition	2,461,704				2,461,704
Student & instruction related services	3,523,502	194,843			3,718,345
School administrative services	1,305,381				1,305,381
Other administrative services	845,607				845,607
Plant operations and maintenance	4,042,941				4,042,941
Pupil transportation	1,438,810				1,438,810
Business and other support services	426,154				426,154
Unallocated benefits	9,369,271				9,369,271
Special schools	69,810				69,810
Transfer to charter school					-
Debt service:					
Principal				785,000	785,000
Interest and other charges				202,800	202,800
Capital outlay	1,654,302	4,058	3,057,918		4,716,278
Total expenditures	40,434,353	701,511	3,057,918	987,800	45,181,582
Excess (Deficiency) of revenues over expenditures	1,800,451	-	(2,668,014)	-	(867,563)
OTHER FINANCING SOURCES (USES)					
Capital Leases					-
Lease Purchase			1,500,000		1,500,000
Transfers in	554				554
Transfers out			(554)		(554)
Fund Balance Adjustment					-
Total other financing sources and uses	554	-	1,499,446	-	1,500,000
Net change in fund balances	1,801,005	-	(1,168,568)	-	632,437
Fund balance—July 1	5,780,782		2,623,621		8,404,403
Fund balance—June 30	\$ 7,581,787	\$ -	\$ 1,455,053	\$ -	\$ 9,036,840

**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, 2016**

Total net change in fund balances - governmental funds (from B-2)		\$ 632,437
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	-
	Capital outlays	4,716,278
		4,366,135
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.		785,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		
Accrued interest received on bond issuance		
Capital lease proceeds - Lease purchase		(1,500,000)
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. (-)		
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the governmental funds:		
Change in pension plan liability(net)	(1,529,135)	
Change in pension plan expense(net)	1,686,629	157,494
		157,494
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	(18,377)	
Prior year accrued interest on long term debt which was paid in the current year	45,230	
Compensated absences payable	106,222	
Capital lease payments	355,746	
Lease purchase payments	143,902	
		632,723
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		\$ 5,073,789

PROPRIETARY FUNDS

**Springfield Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2016**

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 120,501	603,304	\$ 723,805
Investments			-
Accounts receivable	38,321	413	38,734
Other receivables			-
Inventories	5,802		5,802
Total current assets	164,624	603,717	768,341
Noncurrent assets:			
Furniture, machinery & equipment	109,737		109,737
Less accumulated depreciation	(109,737)		(109,737)
Total noncurrent assets	-	0	-
Total assets	164,624	603,717	768,341
LIABILITIES			
Current liabilities:			
Accounts payable	14,747		14,747
Unearned Income	12,589		12,589
Compensated absences			-
Total current liabilities	27,336	0	27,336
Noncurrent Liabilities:			
Compensated absences			-
Total noncurrent liabilities	-	0	-
Total liabilities	27,336	0	27,336
NET ASSETS			
Invested in capital assets net of related debt			-
Restricted for:			
Capital projects			-
Unrestricted	137,288	603,717	741,005
Total net assets	\$ 137,288	603,717	\$ 741,005

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, 2016

	Business-type Activities - Enterprise Fund		
	Food Service	Before/After Care Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 608,166	\$ 767,246	\$ 1,375,412
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>608,166</u>	<u>767,246</u>	<u>1,375,412</u>
Operating expenses:			
Cost of sales	296,874		296,874
Salaries	237,124	505,004	742,128
Employee benefits	41,287	42,949	84,236
Purchased property service			-
Other purchased professional services			-
Student meals		63,119	63,119
Cleaning, repair and maintenance services			-
Insurance	9,717		9,717
General supplies	29,710	5,581	35,291
Miscellaneous expense	60,404	80,000	140,404
Depreciation			-
Food distribution program Expense	30,403		30,403
Total Operating Expenses	<u>705,519</u>	<u>696,653</u>	<u>1,402,172</u>
Operating income (loss)	<u>(97,353)</u>	<u>70,593</u>	<u>(26,760)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,926		5,926
Federal sources:			
National school lunch program	149,508		149,508
Special milk program			-
Food distribution program	30,403		30,403
Interest and investment revenue	932	6,779	7,711
Food service expense reimbursement			-
Total nonoperating revenues (expenses)	<u>186,769</u>	<u>6,779</u>	<u>193,548</u>
Income (loss) before contributions & transfers	<u>89,416</u>	<u>77,372</u>	<u>166,788</u>
Capital contributions			-
Transfers in (out)			-
Change in net assets	<u>89,416</u>	<u>77,372</u>	<u>166,788</u>
Total net assets—beginning	<u>47,872</u>	<u>526,345</u>	<u>574,217</u>
Total net assets—ending	<u>\$ 137,288</u>	<u>\$ 603,717</u>	<u>\$ 741,005</u>

Springfield Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ (84,101)	\$ 71,833	\$ (12,268)
Payments to employees			-
Payments for employee benefits			-
Payments to suppliers			-
Net cash provided by (used for) operating activities	(84,101)	71,833	(12,268)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	5,926		5,926
Federal Sources	149,508		149,508
Operating subsidies and transfers to other funds			-
Food service expense reimbursement			-
Net cash provided by (used for) non-capital financing activities	155,434	-	155,434
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	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	932	6,779	7,711
Proceeds from sale/maturities of investments			-
Net cash provided by (used for) investing activities	932	6,779	7,711
Net increase (decrease) in cash and cash equivalents	72,265	78,612	150,877
Balances—beginning of year	48,236	524,692	572,928
Balances—end of year	\$ 120,501	\$ 603,304	\$ 723,805
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (97,353)	70,593	(26,760)
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	(19,154)	1,240	(17,914)
(Increase) decrease in inventories	68		68
(Increase) decrease in other current assets			-
Increase (decrease) in accounts payable	3,293		3,293
Increase (decrease) in unearned income	(1,358)		(1,358)
Food Commodity Program	30,403		30,403
Total adjustments	13,252	1,240	14,492
Net cash provided by (used for) operating activities	\$ (84,101)	\$ 71,833	\$ (12,268)

FIDUCIARY FUNDS

Exhibit B-7

**Springfield Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2016**

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 43,858	\$ 915,434
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Total investments	-	-
Total assets	43,858	\$ 915,434
LIABILITIES		
Accounts payable		
Payable to student groups		237,256
Payroll deductions and withholdings		176,750
Payable to teachers		501,428
Total liabilities	-	\$ 915,434
NET ASSETS		
Held in trust for unemployment claims and other purposes	\$ 43,858	
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, 2016

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 132,724
Other	
Total Contributions	132,724
Investment earnings:	
Net increase (decrease) in fair value of investments	
Interest	100
Dividends	
Less investment expense	
Net investment earnings	100
Total additions	132,824
DEDUCTIONS	
Quarterly contribution reports	136,781
Unemployment claims	
Scholarships awarded	
Refunds of contributions	
Transfers	
Total deductions	136,781
Change in net assets	(3,957)
Net assets—beginning of the year	47,815
Net assets—end of the year	\$ 43,858

NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016**

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, 2016**

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, 2016**

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, 2016**

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, 2016.

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, 2016**

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"	\$ 42,235,366	709,701
Adjust for State Aid Payment:		
Add: Prior Year Payment	119,285	
Less: Current Year Payment	(119,847)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		(8,190)
Total Revenues (GAAP Basis)	<u>\$ 42,234,804</u>	<u>\$ 701,511</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 40,434,353	709,701
Adjustments:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		(8,190)
Total Expenditures (GAAP Basis)	<u>\$ 40,434,353</u>	<u>\$ 701,511</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, 2016**

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, 2016**

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, 2016 there remained undisbursed accrued salaries in the amount of \$ 501,428.

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, 2016**

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, 2016**

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, 2016 through the date of November 30, 2016, 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, 2016**

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, 2016**

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, 2016**

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, 2016, cash and cash equivalents of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Savings and Money Management	\$ 7,804,523
NJ Cash Management Account	<u>\$ 15,881</u>
	\$ 7,820,404
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016, 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	\$ 7,802,404
2	None
3	<u>None</u>
	\$ 7,802,404
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 3. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2016 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	1,510,379	3,057,919	-	4,568,298
Total capital assets not being depreciated	<u>1,514,815</u>	<u>3,057,919</u>	<u>-</u>	<u>4,572,734</u>
<i>Capital assets being depreciated:</i>				
Site improvements	510,259	-	-	510,259
Building and building improvements	31,261,021	1,658,360	-	32,919,381
Machinery and equipment	15,582,711	-	-	15,582,711
Totals at historical cost	<u>47,353,991</u>	<u>1,658,360</u>	<u>-</u>	<u>49,012,351</u>
Less accumulated depreciation for :				
Building and improvements	9,210,973	284,166	-	9,495,139
Equipment	5,760,884	65,977	-	5,826,861
Total	<u>14,971,857</u>	<u>350,143</u>	<u>-</u>	<u>15,322,000</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>32,382,134</u>	<u>1,308,217</u>	<u>-</u>	<u>33,690,351</u>
Governmental activity capital assets, net	<u>\$ 33,896,949</u>	<u>\$ 4,366,136</u>	<u>\$ -</u>	<u>\$ 38,263,085</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 109,737	-	-	\$ 109,737
Less accumulated depreciation	<u>109,737</u>	<u>-</u>	<u>-</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, 2016**

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	\$ 255,950
Student and Instruction - Related Services	17,051
School Administrative Services	16,048
General and Business Administrative Services	4,012
Plant Operations and Maintenance	35,016
Pupil Transportation	16,048
Business and Other Support Services	6,018
Unallocated	-
Total	<u>\$ 350,143</u>

NOTE 4. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2015	Issued	Retired	Balance 6/30/2016	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,720,511	\$ -	\$ 106,222	\$ 1,614,289	
Serial Bonds Payable	6,760,000		785,000	5,975,000	800,000
Lease Purchases	2,375,000	1,500,000	143,902	3,731,098	424,666
Capital Leases Payable	986,473		355,746	630,727	355,746
	<u>\$ 11,841,984</u>	<u>\$ 1,500,000</u>	<u>\$ 1,390,870</u>	<u>\$ 11,951,114</u>	<u>\$ 1,580,412</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016 as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	5,975,000	732,450	6,707,450

B. Bonds Issued During the Year:

For the fiscal year ended June 30, 2016, the Board of Education did not issue any bonds.

C. Bonds Authorized But Not Issued:

As of June 30, 2016, the Board had no bonds authorized but not issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016.

	Total
Year ending June 30,	
2017	\$ 355,747
2018	277,316
2019	5,287
Total Minimum Lease Payments	638,350
Less: Amount Representing Interest	
Net Minimum Lease Payments	\$ 638,350

NOTE 5. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) 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, 2016**

NOTE 5. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Teachers' Pension and Annuity Fund (TPAF)

The TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the DOE who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

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

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.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2016, the District recognized pension expense of \$1,170,576, consisting of employer contributions of \$442,833 and non-employer contributions of \$727,743. At June 30, 2016, 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	\$ 275,845	\$ 185,906
Changes of assumptions	1,241,739	-
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between District contributions and proportionate share of contributions	172,197	330,608
District contributions subsequent to the measurement date	-	
Total:	\$ 1,689,781	\$ 516,514

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$ -0- 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:	
2016	\$ 242,433
2017	\$ 242,433
2018	\$ 242,433
2019	\$ 386,113
2020	\$ 218,268
Thereafter	
Total	<u>\$ 1,331,680</u>

Additional Information

Collective balances at December 31, 2014 and 2015 are as follows:

	<u>12/31/14</u>	<u>12/31/15</u>
Collective deferred outflows of resources	\$ 526,485	\$ 1,689,781
Collective deferred inflows of resources	597,939	516,514
Collective net pension liability	10,033,440	11,562,677
District's Proportion	<u>0.0536%</u>	<u>0.0515%</u>

The District made an adjustment in the District-Wide Financial Statements to record the collective net pension liability reported above of \$10,033,440. This liability was recorded as of July 1, 2015 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, 2016**

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, 2016, the District recognized pension expense of \$4,273,927 and revenue of \$4,273,927 for support provided by the State. At June 30, 2016, 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	\$ 468,389	\$ 27,763
Changes of assumptions	10,498,785	-
Net difference between projected and actual earnings on pension plan investments	-	780,625
Changes in proportion and differences between District contributions and proportionate share of contributions	67,044	105,934
District contributions subsequent to the measurement date	-	
Total:	<u>\$ 11,034,218</u>	<u>\$ 914,322</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016. 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:	
2016	\$ 1,200,439
2017	1,200,439
2018	1,200,439
2019	1,838,930
2020	1,556,372
Thereafter	3,222,215
	<hr/>
Total	\$ 10,218,834

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, 2016**

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 $\frac{1}{2}$ 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, 2016, the State of New Jersey contributed \$2,579,460 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 \$1,085,572 during the year ended June 30, 2016 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, 2016**

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, 2015, there were 107,314 retirees receiving post retirement medical benefits and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

For the fiscal year ended June 30, 2016, the State of New Jersey contributed on behalf of the District \$1,402,013 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, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 80,456	
Special Revenue Fund		
Capital Projects Fund		80,456
Debt Service Fund		
Enterprise Fund		
Trust and Agency Fund		
	<u>\$80,456</u>	<u>\$80,456</u>

These amounts represent temporary advances between the various funds.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 2015-2016 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, Office of Administrative Law:

This matter was a residency appeal by the parent (Petitioner) of a former Springfield student who was contesting the Board's determination that he was not domiciled in Springfield for the time period 2011-2014 and, therefore, owed the Board tuition for his daughter's attendance in the District during that time. The Board's investigation into the Petitioner's residency initially was 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 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. In December 2015, the AU concluded that J.B. was not a resident of Springfield during the entire period of time in which his daughter, E.B., was enrolled in the Springfield

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 9. LITIGATION (Continued)

schools, and that, as a result, the Board was entitled to tuition reimbursement for the time period during which he did not reside in Springfield. In January 2016, the Commissioner remanded the matter to the Office of Administrative law for clarification of the decision, and further proceedings, if necessary. The parties were able to resolve the matter amicably and the Board received payment from J.B. This matter is closed.

P.S. and S.S. o/b/o A.S. v. Springfield Board of Education, Office of Administrative Law: Petitioners filed for due process in June 2016 seeking to have their daughter's transcript revised. A.S. was a general education student who began exhibiting attendance problems during the second half of her junior year. As a result of her non-attendance, A.S. failed a number of her junior year courses. Following her junior year, A.S. was classified as a student with special needs and given an opportunity to retake her failed junior year courses during her senior year, with ample support. A.S. completed her coursework, graduated at the end of her senior year, and is currently attending college. Petitioners now seek to have A.S.'s failed junior year courses removed from her transcript, based upon A.S.'s pre-graduation status as a student with special needs. This matter is scheduled for a hearing in December 2016.

Joseph v. Springfield Board of Education: In 2015, Mr. Joseph filed a complaint with the New Jersey Division on Civil Rights claiming that the Board discriminated against him based on his race and national origin. In July 2016, the DCR found that there was no probable cause for the claims and dismissed Mr. Joseph's complaint.

E.V. o/b/o J. V. v. Springfield Board of Education, Office of Administrative Law: In December 2015, J.V.'s parent filed a petition for due process alleging that J.V., who is wheelchair bound, had been transported so unsafely during the first days of the school year that she was forced to transport him to and from school daily, since September 9, 2015. Prior to the resolution of that matter, J.V.'s parent filed a complaint investigation request alleging J.V. had missed what amounted to several days of academic instruction, due to incessant computer malfunctions and the lack of a computer screen large enough to accommodate his visual impairments. We achieved a successful resolution to the complaint investigation -- a finding that no corrective action regarding J.V.'s computer use or otherwise was necessary. In response, J.V.'s parent filed a second complaint investigation the very next day. This second complaint renewed the allegations of the first, but also sought several evaluations. Mediation occurred in February 2016. The parties were able to resolve all pending complaints/petitions.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 9. LITIGATION (Continued)

West Cape May Board of Education & Springfield Board of Education vs. Department of Education, OAL Docket No.: 04191-14: This firm is 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. 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 and then filed a motion for summary decision. In February 2016, both parties filed Motions for Summary Decision with the OAL. These motions are currently pending

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.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 10. CAPITAL RESERVE ACCOUNT (continued)

The capital reserve account reported the following activity for the fiscal year ended June 30, 2016:

Beginning Balance	\$ 1,945,752
Plus: Board Appropriation	1,000,000
Transfers In	-
Interest Income	14,270
Less: Transfers Out	<u>-</u>
Ending Balance	<u><u>2,960,022</u></u>

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, 2016 is \$150,906.

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

NOTE 12. COMPENSATED ABSENCES (continued)

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.

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>
2015-2016	\$ 43,858
2014-2015	\$ 47,815
2013-2014	\$ 22,056

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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, 2016. 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, 2016.

NOTE 17. SUBSEQUENT EVENTS

The Springfield School District Board of Education has evaluated subsequent events occurring after June 30, 2016 through the date of November 30, 2016, 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.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

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 \$7,701,634 General Fund fund balance at June 30, 2016, \$150,906 is restricted for excess surplus; \$2,960,022 is restricted for the Capital Reserve Account; \$250,000 is restricted for the Maintenance Reserve; \$3,243,404 is assigned for other purposes; \$207,093 is assigned as designated for subsequent year's expenditures and \$820,209 is unassigned.

NOTE 20. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. To the extent that the District has not complied with the grant rules and regulations, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 36,640,363	\$ -	\$ 36,640,363	\$ 36,640,363	\$ -
Tuition	79,042	-	79,042	80,550	1,508
Transportation Fees from Individuals	14,600	-	14,600	12,919	(1,681)
Transportation Fees from Other LEAs	-	-	-	-	-
Rental of Facilities	15,000	-	15,000	20,950	5,950
Interest on Investments	-	-	-	80,339	80,339
Interest on Investments - Capital Reserve	-	-	-	14,270	14,270
Miscellaneous	398,267	-	398,267	234,405	(163,862)
Total - Local Sources	37,147,272	-	37,147,272	37,083,796	(63,476)
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	250,000	-	250,000	128,454	(121,546)
School Choice	431,086	-	431,086	431,086	-
Non-Public Transportation-Prior Year	-	-	-	-	-
Non-Public Transportation	-	-	-	29,528	29,528
Other State Aid	46,400	-	46,400	46,400	-
TPAF Pension & Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,579,460	2,579,460
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,085,572	1,085,572
Total State Sources	1,578,556	-	1,578,556	5,151,570	3,573,014
Federal Sources:					
Education Job Fund	-	-	-	-	-
Medicaid Reimbursement	18,665	-	18,665	-	(18,665)
Total - Federal Sources	18,665	-	18,665	-	(18,665)
Total Revenues	38,744,493	-	38,744,493	42,235,366	3,490,873
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	217,699	(3,090)	214,609	214,593	16
Kindergarten - Salaries of Teachers	693,504	(184,405)	509,099	509,073	26
Grades 1-5 - Salaries of Teachers	3,696,139	119,195	3,815,334	3,815,303	31
Grades 6-8 - Salaries of Teachers	2,597,699	40,275	2,637,974	2,637,895	79
Grades 9-12 - Salaries of Teachers	3,568,689	(157,400)	3,411,289	3,411,243	46
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000	4,202	34,202	34,154	48
Purchased Professional-Educational Services	5,000	17,419	22,419	20,314	2,105
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	6,120	12,000	18,120	17,529	591
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	1,000	(1,000)	-	-	-
Other Purchased Services (400-500 series)	58,020	(11,980)	46,040	46,025	15
General Supplies	457,798	29,729	487,527	432,298	55,229
Textbooks	97,549	224,322	321,871	94,630	227,241
Other Objects	-	-	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	11,429,217	89,267	11,518,484	11,233,057	285,427
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	-	-	-	-	-
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	-	-	-	-	-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities:					
Salaries of Teachers	393,304	(47,000)	346,304	345,623	681
Other Salaries for Instruction	730,004	117,850	847,854	847,831	23
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	2,000	-	2,000	1,764	236
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Learning and/or Language Disabilities	1,125,308	70,850	1,196,158	1,195,218	940
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	1,369,190	78,650	1,447,840	1,447,825	15
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	5,000	196	5,196	5,191	5
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Resource Room/Resource Center	1,374,190	78,846	1,453,036	1,453,016	20
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, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	81,687	50,675	132,362	131,401	961
Other Salaries for Instruction	69,780	-	69,780	61,626	8,154
Purchased Professional-Educational Services	43,920	(25,600)	18,320	5,598	12,722
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	625	-	625	54	571
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Part-Time	<u>196,012</u>	<u>25,075</u>	<u>221,087</u>	<u>198,679</u>	<u>22,408</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>2,695,510</u>	<u>174,771</u>	<u>2,870,281</u>	<u>2,846,913</u>	<u>23,368</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	206,326	13,500	219,826	219,818	8
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,000	-	1,000	315	685
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	<u>207,326</u>	<u>13,500</u>	<u>220,826</u>	<u>220,133</u>	<u>693</u>
Bilingual Education - Instruction					
Salaries of Teachers	144,457	-	144,457	142,868	1,589
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	900	-	900	630	270
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Bilingual Education - Instruction	<u>145,357</u>	<u>-</u>	<u>145,357</u>	<u>143,498</u>	<u>1,859</u>
School-Spon. Athletics - Inst.					
Salaries of Teachers	452,181	(110,525)	341,656	341,579	77
Other Salaries for Instruction	-	49,125	49,125	49,117	8
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	103,006	6,605	109,611	103,831	5,780
General Supplies	48,861	140,118	188,979	66,665	122,314
Textbooks	-	-	-	-	-
Other Objects	47,026	(3,893)	43,133	24,520	18,613
Total School-Spon. Athletics - Inst.	<u>651,074</u>	<u>81,430</u>	<u>732,504</u>	<u>585,712</u>	<u>146,792</u>

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	171,809	19,300	191,109	183,996	7,113
Purchased Services (300-500 series)		-			-
Supplies and Materials	15,804	(10,725)	5,079	3,994	1,085
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)					
Total School-Spon. Cocurricular Actvts. - Inst.	187,613	8,575	196,188	187,990	8,198
Other Instructional Programs - Community Service					
Salaries	98,800	-	98,800	79,568	19,232
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total Other Instructional Programs - Community Service	98,800	-	98,800	79,568	19,232
Total Instruction	15,414,897	367,543	15,782,440	15,296,871	485,569
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools		-			-
Tuition to Private Schools for the Handicapped - Within State	2,259,386	(84,150)	2,175,236	1,787,673	387,563
Tuition to Private Schools for the Handicapped - Outside NJ		-			-
Tuition -County Voc School-Regular	360,000	-	360,000	349,450	10,550
Tuition -County Voc School-Special	71,950	98,150	170,100	170,050	50
Tuition - State Facilities		-			-
Tuition - Other		-			-
Tuition - Other Lea Within State-Special	364,973	(57,041)	307,932	154,531	153,401
Total Undistributed Expenditures - Instruction:	3,056,309	(43,041)	3,013,268	2,461,704	551,564
Undistributed Expend. - Attendance Services					
Salaries	19,139	5,050	24,189	24,169	20
Total Undistributed Expend. - Attendance Services	19,139	5,050	24,189	24,169	20
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	-	-	-	-	-
Undist. Expend. - Health Services					
Salaries	409,120	13,150	422,270	422,214	56
Purchased Professional and Technical Services	783,694	(143,267)	640,427	556,403	84,024
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	11,960	110	12,070	10,456	1,614
Other Objects		-			-
Total Undistributed Expenditures - Health Services	1,204,774	(130,007)	1,074,767	989,073	85,694
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff	219,031	-	219,031	213,284	5,747
Purchased Professional - Educational Services		7,250	7,250	14,500	(7,250)
Supplies and Materials	2,000	-	2,000	1,999	1
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	221,031	7,250	228,281	229,783	(1,502)
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	697,630	20,700	718,330	718,287	43
Salaries of Secretarial and Clerical Assistants	72,903	-	72,903	71,875	1,028
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	1,550	7,532	9,082	8,264	818
Other Objects		-			-
Total Undist. Expend. - Guidance Services	772,083	28,232	800,315	798,426	1,889
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	502,025	111,850	613,875	613,828	47
Salaries of Secretarial and Clerical Assistants	97,760	550	98,310	98,303	7
Purchased Professional - Educational Services		418	418	400	18
Supplies and Materials	5,500	894	6,394	5,432	962
Other Objects	13,400	-	13,400	13,201	199
Total Undist. Expend. - Child Study Teams	618,685	113,712	732,397	731,164	1,034
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	198,891	-	198,891	131,795	67,096
Salaries of Other Professional Staff		-			-
Salaries of Secr and Clerical Assist.	12,867	1	12,868	12,867	1
Other Salaries		-			-
Purchased Prof. Educational Services		-			-
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)	59,083	1,291	60,374	14,437	45,937
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Improvement of Inst. Serv.	270,841	1,292	272,133	159,099	113,034

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	182,531	(62,650)	119,881	118,831	1,050
Salaries of Technology Coordinators	97,419	1	97,420	97,419	1
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	153,565	(28,249)	125,316	117,219	8,097
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	433,515	(90,898)	342,617	333,469	9,148
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	131,050	1	131,051	131,050	1
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	59,645	1	59,646	59,645	1
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Serv	5,000	495	5,495	5,214	281
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	129,800	(42,950)	86,850	52,445	34,405
Supplies and Materials	12,600	5,950	18,550	7,534	11,016
Other Objects	5,000	1,131	6,131	2,431	3,700
Total Undist. Expend. - Instructional Staff Training Serv.	343,095	(35,372)	307,723	258,319	49,404
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	252,813	24,827	277,640	276,351	1,289
Legal Services	100,000	247,756	347,756	323,526	24,230
Audit Fees	21,660	125	21,785	21,770	15
Other Purchased Professional Services	-	71,365	71,365	56,326	15,039
Communications/Telephone	73,033	(13,030)	60,003	58,572	1,431
Other Purchased Services (400-500 series)	84,844	(22,002)	62,842	58,694	4,148
Other Purchased Prof. and Tech. Services	31,850	(23,265)	8,585	7,680	905
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	27,433	679	28,112	26,634	1,478
General Supplies	-	-	-	-	-
Judgements Against The School District	-	-	-	-	-
BOE Membership Dues and Fees	18,987	(2,000)	16,987	16,054	933
Miscellaneous Expenditures	-	-	-	-	-
Total Undist. Expend. - Supp. Serv. - General Admin.	610,620	284,455	895,075	845,607	49,468
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	669,468	-	669,468	657,095	12,373
Salaries of Other Professional Staff	183,422	7,800	191,222	191,174	48
Salaries of Secretarial and Clerical Assistants	373,625	(8,325)	365,300	352,110	13,190
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	24,000	3,455	27,455	23,448	4,007
Other Purchased Services (400-500 series)	23,475	1,341	24,816	20,185	4,631
Supplies and Materials	81,773	8,903	90,676	61,369	29,307
Rental	-	-	-	-	-
Other Objects	2,470	-	2,470	-	2,470
Total Undist. Expend. - Support Serv. - School Admin.	1,358,233	13,174	1,371,407	1,305,381	66,026
Undist. Expend. - Central Services					
Salaries	331,907	(2,125)	329,782	324,072	5,710
Other Purchased Services (400-500 series)	1,500	150	1,650	749	901
Supplies and Materials	7,500	2,340	9,840	7,030	2,810
Interest on Current Loans	-	13,325	13,325	13,316	9
Other Objects	1,410	-	1,410	1,384	26
Total Undist. Expend. - Central Services	342,317	13,690	356,007	346,551	9,456
Undist. Expend. - Admin. Info. Tech.					
Salaries	79,603	-	79,603	79,603	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Total Undist. Expend. - Admin. Info. Tech.	79,603	-	79,603	79,603	-
Undist. Expend. - Required Maint.- School Facilities					
Salaries	173,780	-	173,780	169,773	4,007
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Cleaning, Repair and Maintenance Services	212,500	878,600	1,091,100	831,384	259,716
Other Purchased Property Services	-	-	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Purchased Services-Rental	-	-	-	-	-
General Supplies	72,500	49,844	122,344	89,982	32,362
Energy (Energy and Electricity)	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Required Maint.- School Facilities	458,780	928,444	1,387,224	1,091,139	296,085

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	1,307,024	23,000	1,330,024	1,313,412	16,612
Salaries of Non-Instructional Aides	147,196	(23,725)	123,471	123,333	138
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	32,844	(30,000)	2,844	1,840	1,004
Cleaning, Repair and Maintenance Services	368,545	(34,034)	334,511	311,882	22,629
Other Purchased Property Services	42,500	2,502	45,002	38,581	6,421
Insurance	174,969	21,925	196,894	188,016	8,878
Miscellaneous Purchased Services-Rental	-	-	-	-	-
Lease Purchase Pymts - Energy Savings Impr Prog	-	101,450	101,450	101,447	3
General Supplies	152,754	187,851	340,605	234,834	105,771
Energy - Natural Gas	472,746	(315,075)	157,671	130,603	27,068
Energy - Electricity	440,196	(83,480)	356,716	271,113	85,603
Energy - Gasoline	15,658	-	15,658	14,940	718
Other Objects	26,250	636	26,886	13,216	13,670
Total Undist. Expend. - Custodial Services	3,180,682	(148,950)	3,031,732	2,743,217	288,515
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	98,904	-	98,904	96,872	2,032
Purchased Professional and Technical Services	103,500	(2,400)	101,100	100,524	576
General Supplies	11,500	2,943	14,443	11,189	3,254
Total Undist. Expend. - Care and Upkeep of Grounds	213,904	543	214,447	208,585	5,862
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs	-	-	-	-	-
Salaries of Non-Instructional Aides	5,100	76,075	81,175	81,166	9
Salaries - (Between Home and School) - Reg	310,285	(49,000)	261,285	258,422	2,863
Salaries - (Other than Bet. Home and School)	96,745	(66,275)	30,470	24,485	5,985
Cleaning, Repair and Maintenance Services	49,950	(4,380)	45,570	34,361	11,209
Contract Services - (Other than Bet. Home and School) - Vendors	15,100	700	15,800	15,647	153
Contract Services - (Between Home and School) - Joint	-	-	-	-	-
Contract Services - (Special Ed Stds) - Vendors	-	-	-	-	-
Contract Services - (Special Ed Stds) - Joint	299,568	29,626	329,194	301,223	27,971
Contract Services - (Reg Ed Stds) - ESCs & CTSA	-	-	-	-	-
Contract Services - (Special Ed Stds) - ESCs & CTSA	471,944	46,991	518,935	517,278	1,657
Aid in Lieu Of Pymts-NonPub Sch	132,600	450	133,050	130,690	2,360
Miscellaneous Purchased Services-Transportation	17,132	(900)	16,232	16,222	10
Supplies and Materials	48,789	8,535	57,324	56,900	424
Other Objects	2,500	-	2,500	2,416	84
Total Undist. Expend. - Student Transportation Serv.	1,449,713	41,822	1,491,535	1,438,810	52,725
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	499,427	-	499,427	496,549	2,878
T.P.A.F. Contributions - ERIP	-	-	-	-	-
Other Retirement Contributions - PERS	460,525	1,047	461,572	459,326	2,246
Other Retirement Contributions - Regular	-	-	-	-	-
Interest for Lease Purchase	-	-	-	-	-
Unemployment Compensation	60,000	15,000	75,000	75,000	-
Workmen's Compensation	191,265	6,000	197,265	197,250	15
Health Benefits	5,353,677	(465,466)	4,888,211	4,468,025	420,186
Tuition Reimbursement	-	-	-	-	-
Other Employee Benefits	21,523	516	22,039	8,089	13,950
TOTAL UNALLOCATED POST RETIRE. MED. CONTRIB.	6,586,417	(442,903)	6,143,514	5,704,239	439,275
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	2,579,460	(2,579,460)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,085,572	(1,085,572)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	3,665,032	(3,665,032)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	6,586,417	(442,903)	6,143,514	9,369,271	(3,225,757)
TOTAL UNDISTRIBUTED EXPENDITURES	21,219,741	546,493	21,766,234	23,413,370	(1,647,335)
TOTAL GENERAL CURRENT EXPENSE	36,634,638	914,036	37,548,674	38,710,241	(1,161,567)
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, 2016

	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	(4,700)	5,413	5,325	88
Undistributed Expenditures - Guidance		-			-
Undistributed Expenditures - Child Study Teams	6,180	(6,100)	80	75	5
Undistributed Expenditures - Inst. Staff	15,700	(15,650)	50	-	50
Undist. Expend.-Support Serv.-Students - Spl.		-			-
Undist. Expend.-Support Serv. - Related & Extra		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		1,136,380	1,136,380		1,136,380
Undistributed Expenditures - Admin. Info. Tech.	110,650	(22,500)	88,150	88,051	99
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Required Maint for School Fac.	18,250	13,400	31,650	12,535	19,115
Undistributed Expenditures - Custodial Services		-			-
Undistributed Expenditures - Care and Upkeep of Grounds		-			-
Undistributed Expenditures - Non-Instr. Serv.		43,725	43,725		43,725
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	160,893	1,144,555	1,305,448	105,986	1,199,462
Facilities Acquisition and Construction Services					
Construction Services	1,299,108	438,356	1,737,464	704,720	1,032,744
Architectural/Engineering Services	281,200	72,377	353,577	295,675	57,902
Other Purchased Prof. Service	-	3,300	3,300	-	3,300
Supplies and materials	-	6,563	6,563	6,563	-
Other Objects	-	-	-	-	-
Assessment for Debt Service on SDA Funding	57,595	(5,100)	52,495	57,596	(5,101)
Bldgs. Other than Lease Purchase Agreements		-			-
Lease Purchase Agreements - Principal	592,887	(109,100)	483,787	483,762	25
Total Facilities Acquisition and Construction Services	2,230,790	406,396	2,637,186	1,548,316	1,088,870
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases					
Assets Acquired Under Capital Leases (non-budgeted)					
TOTAL CAPITAL OUTLAY	2,391,683	1,550,951	3,942,634	1,654,302	2,288,332
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	53,922	11,975	65,897	65,892	5
Other Salaries for Instruction	2,500	-	2,500	2,489	11
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,600	(1,095)	1,505	1,429	76
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	59,022	10,880	69,902	69,810	92
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	-	-	-	-	-
Total Summer School	59,022	10,880	69,902	69,810	92
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		-			-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Other Special Schools - Instruction	-	-	-	-	-
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, 2016

	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.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Even.-Sch.-Foreign-Born-Local	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL SCHOOLS	<u>59,022</u>	<u>10,880</u>	<u>69,902</u>	<u>69,810</u>	<u>92</u>
Transfer of Funds to Charter Schools					
TOTAL EXPENDITURES	<u>39,085,343</u>	<u>2,475,867</u>	<u>41,561,210</u>	<u>40,434,353</u>	<u>1,126,857</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(340,850)</u>	<u>(2,475,867)</u>	<u>(2,816,717)</u>	<u>1,801,013</u>	<u>4,617,730</u>
Other Financing Sources(Uses):					
Operating Transfer In:					
Transfer from Capital Projects	-	-	-	554	(554)
Operating Transfer Out:					
Transfer to Debt Service Fund	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>554</u>	<u>(554)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(340,850)</u>	<u>(2,475,867)</u>	<u>(2,816,717)</u>	<u>1,801,567</u>	<u>4,617,176</u>
Fund Balance, July 1	<u>(338,084)</u>	<u>(1,892,878)</u>	<u>(2,230,962)</u>	<u>5,900,067</u>	<u>(1,139,623)</u>
Fund Balance, June 30	<u>\$ (678,934)</u>	<u>\$ (4,368,745)</u>	<u>\$ (5,047,679)</u>	<u>\$ 7,701,634</u>	<u>\$ 3,477,553</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Reserve for Capital Reserve	\$ 2,960,022
Maintenance Reserve	250,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	
Reserve for Excess Surplus	150,906
Committed Fund Balance:	
Reserve for Impact Aid	
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	207,093
Reserve for encumbrances	3,243,404
Unrestricted Fund Balance	<u>890,209</u>
Subtotal	<u>7,701,634</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	(119,847)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 7,581,787</u>

**Springfield Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ -			\$ -
State Sources	92,331	6,125	98,456	71,063	(27,393)
Federal Sources	535,116	103,522	638,638	638,638	-
Total Revenues	627,447	109,647	737,094	709,701	(27,393)
EXPENDITURES:					
Instruction					
Salaries of Teachers	627,447	(604,447)	23,000	23,000	-
Other Salaries for Instruction		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		64,655	64,655	39,610	25,045
Purchased Professional and Technical Services		-			-
Supplies and Materials		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		45,951	45,951	45,951	-
Textbooks		12,465	12,465	12,239	226
Tuition		390,000	390,000	390,000	-
Total Instruction	627,447	(91,376)	536,071	510,800	25,271
Support Services					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		5,980	5,980	5,980	-
Purchased Professional Services		155,576	155,576	153,454	2,122
Other Purchased Professional Services		30,334	30,334	30,334	-
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)	-	3,175	3,175	3,175	-
Supplies & Materials	-	1,900	1,900	1,900	-
Other Objects		-			-
Total Support Services	-	196,965	196,965	194,843	2,122

**Springfield Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		4,058	4,058	4,058	-
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	-	4,058	4,058	4,058	-
Transfer to Charter School					-
Total Expenditures	627,447	109,647	737,094	709,701	27,393
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	627,447	109,647	737,094	709,701	27,393
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, 2016**

**Note A - 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 basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 42,235,366	[C-2]	\$ 709,701
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				-
Current year				(8,190)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(119,847)		
Prior year state aid payment recognized for GAAP purposes in current year		119,285		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 42,234,804</u>	[B-2]	<u>\$ 701,511</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	40,434,353	[C-2]	709,701
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				-
Current year				(8,190)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 40,434,353</u>	[B-2]	<u>\$ 701,511</u>

***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 Two Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0536%	0.0515%
District's proportionate share of the net pension liability	\$10,033,440	\$11,562,575
District's covered employee payroll	\$ 3,568,177	\$ 3,574,451
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281.20%	323.48%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

* 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 Two Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 441,785	442,833
Contributions in relation to the contractually required contribution	\$ (441,785)	(442,833)
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>
District's covered employee payroll	\$ 3,568,177	3,574,451
Contributions as a percentage of its covered-employee payroll	12.40%	12.39%

* 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 Two Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.1486%	0.1467%
State's proportionate share of the net pension liability attributable to the District	\$79,427,155	\$92,705,011
District's covered employee payroll	\$15,139,586	\$15,263,559
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	524.70%	607.36%
Plan fiduciary net position as a percentge of the total pension liability	33.64%	28.71%

* 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, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were no changes.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% s of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND (TPAF)

Benefit Changes

There were no changes.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

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, 2016

	Total Brought Forward (Ex. E-1b)	NCLB				I.D.E.A.		Total
		Title I Part A	Title II Part A	Title III Immigrant	Title III Part A	Basic 2015-2016	Preschool 2015-2016	
REVENUES								
Local Sources								\$ -
State Sources	71,063							71,063
Federal Sources		96,325	27,129	12,878	10,603	475,365	16,338	638,638
Total Revenues	71,063	96,325	27,129	12,878	10,603	475,365	16,338	709,701
EXPENDITURES:								
Instruction:								
Salaries of Teachers		10,000		7,000	6,000			23,000
Other Salaries for Instruction								-
Purchased Professional - Educational Services	39,610							39,610
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)								-
Tuition						390,000		390,000
General Supplies		15,000			3,043	21,570	6,338	45,951
Textbooks	12,239							12,239
Other Objects								-
Supplies and Materials								-
Total instruction	51,849	25,000	-	7,000	9,043	411,570	6,338	510,800
Support services:								
Salaries of Other Professional Staff								-
Other Salaries								-
Personal Services - Employee Benefits		2,600		1,820	1,560			5,980
Purchased Professional Services		68,725	25,229			49,500	10,000	153,454
Other Purchased Professional Services	19,214					11,120		30,334
Purchased Technical Services								-
Rentals								-
Travel								-
Other Purchased Services (400-500 series)						3,175		3,175
Supplies & Materials			1,900					1,900
Total support services	19,214	71,325	27,129	1,820	1,560	63,795	10,000	194,843

Township of Springfield
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	Total Brought Forward (Ex. E-1b)	NCLB				I.D.E.A.		Total
		Title I Part A	Title II Part A	Title III Immigrant	Title III Part A	Basic 2015-2016	Preschool 2015-2016	
EXPENDITURES (CONT'D):								
Facilities acquisition and const. serv.:								
Buildings								-
Instructional Equipment				4,058				4,058
Noninstructional Equipment								-
Total facilities acquisition and const. serv.	-	-	-	4,058	-	-	-	4,058
Transfer to Charter Schools								-
Total Expenditures	71,063	96,325	27,129	12,878	10,603	475,365	16,338	709,701
Other Financing Sources								
Transfer in from General Fund								-
Contribution to Whole School Reform								-
	-	-	-	-	-	-	-	-
Total Outflows	71,063	96,325	27,129	12,878	10,603	475,365	16,338	709,701
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, 2016**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Tree Top Property Remediation	08/01/13	\$ 371,875	\$ 69,836	\$ 3,039	\$ 299,000
Regular Operating District Grant (ROD-4)		3,104,915	1,278,361	1,095,811	730,743
Energy Savings Improvement Program (ESIP)	12/17/14	2,375,000	161,519	1,110,751	1,102,730
FMG Athletic Field and JDHS IMC Media Projects	07/20/15	1,500,000	-	848,318	651,682
		<u>\$ 7,351,790</u>	<u>\$ 1,509,716</u>	<u>\$ 3,057,919</u>	<u>\$ 2,784,155</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, 2016

Revenues and Other Financing Sources:

Lease Purchasing Financing for FMG Athletic Field and JDHS IMC Media Projects	\$ 1,500,000
State Aid - ROD IV Grant	389,350
Interest Income	554
Total Revenues	<u>1,889,904</u>

Expenditures and Other Financing Uses:

Other Purchased Professional and Technical Services	3,039
Construction services	3,054,880
Bank Charges	
Total Expenditures	<u>3,057,919</u>
Excess (Deficiency) of revenues over (under) expenditures	(1,168,015)
Fund Balance - Beginning	2,623,622
Transfers - General Fund	<u>\$ (554)</u>
Fund Balance - Ending	<u><u>\$ 1,455,053</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, 2016**

	Agency			Trust		Totals
	Student Activities	Payroll	Total Agency	Unemployment Compensation	Total Trust	
ASSETS:						
Cash and Cash Equivalents	\$ 237,256	\$ 678,178	\$ 915,434	\$ 43,858	\$ 43,858	\$ 959,292
Total Assets	<u>\$ 237,256</u>	<u>\$ 678,178</u>	<u>\$ 915,434</u>	<u>\$ 43,858</u>	<u>\$ 43,858</u>	<u>\$ 959,292</u>
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Payable - General Fund						
Accrued Salaries and Wages		501,428	501,428			501,428
Payroll Deductions and Withholdings		176,750	176,750			176,750
Due to Student Groups	237,256		237,256			237,256
Total Liabilities	<u>\$ 237,256</u>	<u>\$ 678,178</u>	<u>\$ 915,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 915,434</u>
NET ASSETS:						
Reserved for Unemployment Claims	\$ -	\$ -	\$ -	\$ 43,858	\$ 43,858	\$ 43,858
Reserved for Flexible Spending Claims						
Total Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,858</u>	<u>\$ 43,858</u>	<u>\$ 43,858</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, 2016**

<u>Schools</u>	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
Early childhood center: Edward V. Walton	\$ 21,586	\$ 6,240	4,150	\$ 23,676
Elementary Schools: James Caldwell	\$ 859	\$ 8,147	6,612	\$ 2,394
Thelma L. Sandmeier	6,763	4,136	3,466	7,433
Middle School: Florence M. Gaudineer	\$ 86,257	\$ 80,283	82,062	\$ 84,478
High schools: Jonathan Dayton	\$ 110,765	\$ 190,226	190,289	\$ 110,702
Athletic Activities	<u>5,942</u>	<u>41,048</u>	<u>38,417</u>	<u>8,573</u>
	<u>\$ 232,172</u>	<u>\$ 330,080</u>	<u>\$ 324,996</u>	<u>\$ 237,256</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, 2016**

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2016</u>
ASSETS:				
Cash and cash equivalents	\$ 685,799	\$ 24,800,559	\$ 24,808,180	\$ 678,178
Total assets	\$ 685,799	\$ 24,800,559	24,808,180	\$ 678,178
LIABILITIES:				
Payroll deductions and withholdings	\$ 166,136	\$ 23,990,227	\$ 23,979,613	\$ 176,750
Accrued salaries and wages	519,663	810,332	828,567	501,428
Total liabilities	\$ 685,799	\$ 24,800,559	\$ 24,808,180	\$ 678,178

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, 2016		Interest Rate	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
			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	06/15/17	800,000	3.00%	6,760,000		785,000	5,975,000
			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	06/17/17	159,667	2.84%	2,375,000	0	23,902	2,351,098
			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								
Lease Purchase Financing for Equipment associated with the FMG Athletic Field Project and the JDHS IMC Media Center Project	07/20/15	1,500,000	03/15/17	265,000	1.78%	0	1,500,000	120,000	1,380,000
			03/15/18	270,000					
			03/15/19	275,000					
			03/15/20	280,000					
			09/15/20	290,000					
Totals						<u>9,135,000</u>	<u>1,500,000</u>	<u>928,902</u>	<u>9,706,098</u>

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

Series	Amount of Original Issue	Amount Outstanding July 1, 2015	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2016
Photocopiers-Xerox (8 units)	69,288	45,241		15,859	29,382
Apple Computers	1,721,007	941,232		339,887	601,345
		\$ 986,473	\$ 0	\$ 355,746	\$ 630,727

**Township of Springfield School District
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 987,800	\$ -	\$ 987,800	\$ 987,800	\$ -
State Sources:					
Debt Service Aid Type II		-			-
Debt Service Aid Type I		-			-
Total - State Sources	-	-	-	-	-
Total Revenues	987,800	-	987,800	987,800	-
EXPENDITURES:					
Regular Debt Service:					
Interest	202,800	-	202,800	202,800	-
Redemption of Principal	785,000	-	785,000	785,000	-
Total Regular Debt Service	987,800	-	987,800	987,800	-
Total expenditures	987,800	-	987,800	987,800	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Transfers from General Fund		-			-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	(5)	-	(5)		5
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

INTRODUCTION TO THE 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.	89-95
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	96-99
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.	100-103
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.	104-105
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.	106-110

FINANCIAL TRENDS

Exhibit J-1

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Net Assets by Component,
For the Year Ended June 30, 2016
(accrual basis of accounting)

	2014	2015	2016
Governmental activities			
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476	\$ 27,926,260
Restricted	2,875,119	7,191,747	8,059,385
Unrestricted	1,256,681	(13,474,988)	(11,044,621)
Total governmental activities net assets	\$ 25,935,960	\$ 19,867,235	\$ 24,941,024
Business-type activities			
Invested in capital assets, net of related debt			
Restricted			
Unrestricted	415,752	574,217	741,005
Total business-type activities net assets	\$ 415,752	\$ 574,217	\$ 741,005
District-wide			
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476	\$ 27,926,260
Restricted	2,875,119	7,191,747	8,059,385
Unrestricted	1,672,433	(12,900,771)	(10,303,616)
Total district net assets	\$ 26,351,712	\$ 20,441,452	\$ 25,682,029

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	\$ 15,167,374
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	6,112,962
Other special education	516,689	483,361	594,421	492,702	545,467	483,635	484,175	514,988	614,758
Vocational									
Other instruction	1,504,184	1,436,489	1,577,970	795,729	776,530	784,016	878,814	881,014	992,785
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	2,461,704
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	4,192,695
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	1,755,917
General administration	1,326,526	1,075,283	847,846	700,443	850,177	690,941	738,722	933,654	961,219
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	5,019,593
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	1,885,257
Other support services	564,726	522,699	518,613	517,685	532,330	553,604	543,585	601,257	593,572
Special Schools	48,114	43,379	48,549	59,203	62,300	56,397	59,818	60,235	69,810
Charter Schools									
Proportionate share of pension plan expense								554,628	(157,494)
Interest on long-term debt	479,400	444,475	427,925	407,750	386,825	4,862	249,494	261,717	175,947
Compensated Absences	193,249	202,264	75,898	52,924	57,270	10,297	54,280	75,219	(106,222)
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	39,739,877
Business-type activities:									
Food service	677,258	700,588	614,726	624,338	753,230	704,127	625,144	570,216	705,519
Child Care	184,480	262,161	356,981	357,898	425,884	558,836	651,379	614,507	696,653
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	1,402,172
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	\$ 41,142,049
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)		\$ 76,465	\$ 59,293	\$ 53,960	\$ 75,416	\$ 85,893	\$ 133,328	\$ 72,993	\$ 80,550
Plant operations and maintenance				21,750	20,913	28,150	25,213	17,675	20,950
Pupil transportation		14,663	10,175	11,684	14,203	11,876	14,168	19,234	12,919
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	4,366,543
Capital grants and contributions				137,125	505,153		14,236	488,275	389,350
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	4,870,312

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:									
Charges for services									
Food service	597,113	578,760	484,238	509,778	586,232	519,081	509,507	514,973	608,166
Child care	302,645	359,000	375,136	414,544	482,733	559,002	674,452	674,019	767,246
Operating grants and contributions	87,586	95,363	97,548	120,565	110,036	123,779	145,130	147,775	185,837
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	1,561,249
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	\$ 6,431,561
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)	\$ (34,869,565)
Business-type activities	125,606	70,374	(14,785)	62,651	(113)	(61,101)	52,566	152,044	159,077
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)	\$ (34,710,488)
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	\$ 36,640,363
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	987,800
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	1,485,976
Tuition Received	69,883								
Investment earnings	182,310	103,111	141,386	119,998	113,124	118,420	79,268	80,326	95,163
Miscellaneous income	458,024	321,748	386,207	301,103	333,820	444,826	213,244	374,055	234,404
Capital lease payments	39,375	70,688	87,821	199,799	358,735	335,529	1,013,277	355,746	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)									
Lease Purchase Payments									143,902
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	39,943,354
Business-type activities:									
Investment earnings	1,932	2,088	2,338	1,702	9,902	8,775	7,137	6,421	7,711
Transfers									
Total business-type activities	1,932	2,088	2,338	1,702	9,902	8,775	7,137	6,421	7,711
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	\$ 39,951,065
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)	\$ 5,073,789
Business-type activities	127,538	72,462	(12,447)	64,353	9,789	(52,326)	59,703	158,465	166,788
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)	\$ 5,240,577

Exhibit J-3

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
For the Year Ended June 30, 2016
(modified accrual basis of accounting)

	2014	2015	2016
General Fund			
Reserved	\$ 1,601,097	\$ 2,355,541	\$ 3,360,928
Committed			
Assigned	2,085,651	2,555,726	3,450,497
Unreserved	825,735	869,515	770,362
Total general fund	<u>\$ 4,512,483</u>	<u>\$ 5,780,782</u>	<u>\$ 7,581,787</u>
All Other Governmental Funds			
Reserved, reported in:			
Capital projects fund		\$ 2,212,584	\$ 1,753,792
Assigned, reported in:			
Capital projects fund	\$ 1,135,428	13,698	47,220
Debt service fund	3,300		
Unreserved, reported in:			
Special revenue fund	-	-	-
Capital projects fund	135,294	397,340	(345,959)
Debt service fund			
Permanent fund	-	-	-
Total all other governmental funds	<u>\$ 1,274,022</u>	<u>\$ 2,623,622</u>	<u>\$ 1,455,053</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,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Local Tax levy	\$ 36,640,363	\$ 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
Interest on Investments	95,163									
Transportation Fees	12,919									
Tuition	80,550									
Rental Facilities	20,950									
Other Local Revenue	234,405	564,283	463,338	614,230	691,567	581,371	560,278	627,481	725,910	673,791
State sources	5,611,421	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
Federal sources	630,448	661,173	549,105	522,090	583,400	794,031	709,825	554,328	496,069	590,649
Total revenue	43,326,219	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
Expenditures										
Instruction:										
Regular	11,233,057	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
Special	2,846,913	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
Other	363,631	290,667	281,888	258,606	342,539	302,307	416,421	312,669	325,464	300,925
School-Sponsored/Other Instructional	853,270	824,934	828,242	727,759	725,798	748,130	776,971	668,375	643,667	645,356
Total Instruction	15,296,871	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
Undistributed:										
Instruction	2,461,704	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
Support Services-Students	3,523,502	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
Support Services-Instructional Staff	426,154	404,976	391,870	384,831	244,464	242,184	240,179	274,733	272,111	236,842
General Administration	845,607	817,493	608,295	546,300	1,099,480	952,334	1,118,199	1,381,969	1,252,551	1,298,922
School Administration	1,305,381	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
Operations and Maintenance	4,042,941	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
Student Transportation	1,438,810	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
Business and Other Support Services:										
Employee Benefits	5,704,239	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
Other									421,307	393,400
Food Services										
On-behalf TPAF Pension Contributions	2,579,460	2,051,838	1,659,482	2,059,099	1,394,462	997,852	827,906	879,127	1,997,596	1,929,332
Reimbursed TPAF Social Security Contributions	1,085,572	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
Total Undistributed	23,413,370	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
Capital Outlay:										
Equipment				520,063	530,885	532,837	176,955	914,523	462,010	663,857
Facilities Acquisition and Construction Services	4,712,220	3,364,293	3,547,654		25,174	15,342	228,086		46,758	160,548
Lease Purchase Agreements										71,830
Assets Acquired Under Capital Leases						1,250,000	50,508	231,388		
Total Capital Outlay	4,712,220	3,364,293	3,547,654	520,063	556,059	1,798,179	455,549	1,145,911	508,768	896,235
Special Schools	69,810	60,235	59,818	56,397	62,300	59,203	48,549	43,379	48,115	66,424
Total General Fund Expenditures	43,492,271	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
Special Revenue:										
Federal	630,448	661,173	549,105	522,090	533,461	782,047	709,825	554,328	509,229	590,649
State	71,063	64,994	88,206	143,717	141,739	109,706	128,250	123,682	140,380	105,699
Other					134,091	16,988	7,559	111,446	16,545	31,057
Total Special Revenue Expenditures	701,511	726,167	637,311	665,807	809,291	908,741	845,634	789,456	666,154	727,405
Debt Service Expenditures	0	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

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,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Governmental Fund Expenditures	44,193,782	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
Excess (Deficiency) of revenues over (under) expenditures	(867,563)	242,898	(1,399,721)	994,106	1,102,033	(318,198)	87,253	258,114	394,934	510,067
Other Financing sources (uses)										
Proceeds from borrowing									-	
Capital leases (non-budgeted)			1,790,295			1,250,000	50,508	231,388		
Lease Purchase	1,500,000	2,375,000								
Proceeds from refunding									-	
Fund balance adjustment			(5)	(214,065)					-	
Transfers in	554	483	1,983,457		536		684	383	848	
Transfers out	(554)	(483)	(1,983,457)		(1,033,824)				-	
Total other financing sources (uses)	1,500,000	2,375,000	1,790,290	(214,065)	(1,033,288)	1,250,000	51,192	231,771	848	-
Net change in fund balances	\$ 632,437	\$ 2,617,898	\$ 390,569	\$ 780,041	\$ 68,745	\$ 931,802	\$ 138,445	\$ 489,885	\$ 395,782	\$ 510,067
Debt service as a percentage of noncapital expenditures	0.00%	2.50%	2.64%	2.88%	3.01%	3.12%	3.06%	3.67%	3.61%	3.74%

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**

FISCAL YEAR ENDED JUNE 30,	TUITION	INTEREST ON INVESTMENTS	TRANSPORTATION FEES	RENTAL OF FACILITIES	MISCELLANEOUS	TOTAL
2016	80,550	94,609	12,919	20,950	234,405	443,433
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%
2015	1,112,380,558	2,481,884,333	44.82%

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**

<u>Assessment Year</u>	<u>Township of Springfield School District</u>	<u>Regional High School</u>	<u>Springfield Township</u>	<u>Open Spaces</u>	<u>Union County</u>	<u>Total</u>
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
2015	3.38	-	2.11	0.03	1.17	6.69

Source: Tax Collector.

Exhibit J-8

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2015**

Taxpayer	Assessed Valuation 2013	As a % of District's Net Assessed Valuation
Baltusrol Golf Club	\$ 22,489,300	2.02%
Springfield Gardens, LLC	17,176,500	1.55%
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	\$ 106,036,600	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%
2015	74,764,109	74,247,824	99.31%

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, 2016

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				
2016	\$ 5,975,000	\$ 630,727	\$ 3,731,098	\$ -	\$ -	\$ 10,336,825	1.03%	\$ 591
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
2015	17,502	1,112,380,558	5,975,000	0.54%	341

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.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

Net Direct Debt of School District as of June 30, 2016		\$ 5,975,000
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, 2016		 \$ <u>255,786,217</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, 2016
UNAUDITED**

Equalized Valuation Basis		\$ 2,481,884,333
School borrowing margin (4% of \$2,513,244,445)	\$ 99,275,373	
Net bonded school debt as of June 30, 2016	<u>5,975,000</u>	
School borrow margin available	<u>\$ 93,300,373</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
2015	3.80%	57,306	17,502

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>2016</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, 2016

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction					
Regular	141	143	143	144	141
Special education	93	94	94	105	99
Other special education	8	8	8	8	9
Vocational	-				
Other instruction	2	2	2	2	5
Nonpublic school programs	-				
Adult/continuing education programs	-				
Support Services:					
Student & instruction related services	13	13	13	13	17
General administration	4	4	4	4	4
School administrative services	14	14	14	14	16
Other administrative services	-				
Central services	-				
Administrative Information Technology	1	1	1	1	1
Plant operations and maintenance	29	29	29	29	34
Pupil transportation	7	7	7	7	16
Other support services	6	6	6	6	6
Special Schools	-				
Food Service	-				
Child Care	17	17	17	17	17
Total	<u>335</u>	<u>338</u>	<u>338</u>	<u>350</u>	<u>365</u>

Source: District Personnel Records

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Operating Statistics,
For the Year Ended June 30, 2016

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%
2016	2,270	\$ 36,699,525	\$ 16,167	-4.67%	207	20:1	21:1	23:1	2,270.0	2,170.0	-0.96%	95.59%

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>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>	<u>2016</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	566.00	556.00	543.00	629.00	659.00	631.00	667.00	634.00	640.00	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	232.00	228.00	227.00	234.00	215.00	237.00	243.00	240.00	288.00	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	221.00	223.00	226.00	212.00	225.00	238.00	273.00	245.00	261.00	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	449.00	453.00	448.00	481.00	479.00	470.00	444.00	492.00	518.00	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	553.00	550.00	575.00	589.00	608.00	596.00	624.00	618.00	605.00	605.00

Number of Schools at June 30, 2016

Elementary	3
Middle Sch	1
High Sch	1

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

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

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

<u>*School Facilities</u>	<u>School Number</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Jonathan Dayton High School	010	616,438	333,975	594,751
Edward V. Walton	050	153,285	162,000	156,978
Florence M. Gaudineer	060	206,124	652,215	207,192
James Caldwell	070	64,535	78,875	55,703
Thelma L. Sandmeir	090	51,803	50,785	76,513
 Total School Facilities		<u>\$1,092,185</u>	<u>\$1,277,850</u>	<u>\$1,091,137</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, 2016
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy		
Utica Insurance:		
Property - Building and Contents	\$ 134,606,422	\$ 5,000
Liability - Bodily Injury & Property Damage	1,000,000	
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	
Automobile Policy		
Utica Insurance:		
Bodily Injury & Property	1,000,000	\$ 1,000
Errors & Omissions Liability		
Utica Insurance:		
Each Claim	1,000,000	\$ 5,000
Workers Compensation		
NJSBAIG:		
Each Accident; Each Employee	2,000,000	
Umbrella		
Utica 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	285,000	
Board Secretary	105,000	
Travel Accident		
Chubb:		
Member (per week)	1,500	
Environmental Site Liability		
AIG		
Each Incident	1,000,000	\$ 10,000

Source: District records.

SINGLE AUDIT SECTION

CANNONE AND COMPANY, P.A.

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

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, 2016, 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, 2016.

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.

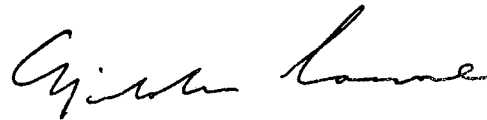
Compliance and Other Matters

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, 2016

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

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 the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08

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) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular 15-08 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, in 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 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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 Uniform Guidance, 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 15-08, 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 compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Springfield School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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.

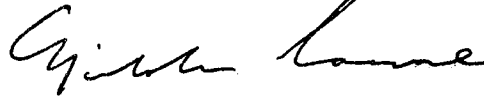
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, 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 Uniform Guidance 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, 2016, and have issued our report thereon dated November 30, 2016, 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 Uniform Guidance 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 15-08, 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

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, 2016

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015 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, 2016	(Accounts Receivable) June 30, 2016	Due to Grantor at June 30, 2016
U.S. Department of Agriculture Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.550	N/A	7/1/15-6/30/16	\$ 30,403	\$	\$	\$	\$ 30,403	\$ (30,403)	\$	\$	\$	\$	\$
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	149,508				120,402	(149,508)				(29,106)	
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	133,255	(10,832)			10,832						
Total U.S. Department of Agriculture					(10,832)	0	0	0	161,637	(179,911)	0	0	(29,106)	0
U.S. Department of Education Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Title I - Part A	84.000	IASA-5000-16	9/1/15-8/31/16	96,325				87,831	(96,325)				(8,494)	
NCLB Title I - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	97,552	(47,828)			47,828						
NCLB Title II - Part A	84.000	IASA-5000-16	9/1/15-8/31/16	27,129				27,129	(27,129)					
NCLB Title II - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	28,418	(11,068)			11,068						
NCLB Title III - Part A	84.000	IASA-5000-16	9/1/15-8/31/16	10,603				2,025	(10,603)				(8,578)	
NCLB Title III - Part A	84.000	IASA-5000-15	9/1/14-8/31/15	10,237	(3,109)			3,109						
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-5000-16	9/1/15-8/31/16	12,878				9,923	(12,878)				(2,955)	
NCLB Title III - Immigrant	84.000	IASA-5000-15	9/1/14-8/31/15	12,948	(9,622)			9,622						
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-16	9/1/15-8/31/16	475,365				319,938	(475,365)				(155,427)	
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-15	9/1/14-8/31/15	464,544	(217,069)			217,069						
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-14	9/1/13-8/31/14	418,223	(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-5000-16	9/1/15-8/31/16	16,338				6,032	(16,338)				(10,306)	
I.D.E.A. Part B, Preschool	84.173	PS-5000-15	9/1/14-8/31/15	15,850	(8,570)			8,570						
Total U.S. Department of Education					(312,621)	0	0	1,945	763,554	(638,638)	0	0	(185,760)	0
Total Federal Financial Assistance					\$ (323,453)	\$ 0	0	1,945	\$ 925,191	\$ (818,549)	\$ 0	\$ 0	(214,866)	\$ 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, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2015		Prior Year Accounts Payable/Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Deferred Revenue June 30, 2016	GAAP (Accounts Receivable) June 30, 2016	Due to Grantor at June 30, 2016	Memo		
				Deferred Revenue (Accounts Receivable)	Due to Grantor								Budgetary Accounts Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 743,150	\$	\$	\$	\$ 681,844	\$ (743,150)	\$	\$	\$	\$	\$ (61,306)	\$ 743,150	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	743,150	(68,220)			68,220							743,150	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	39,644				35,680	(39,644)					(3,964)	39,644	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	39,644	(3,579)			3,579							39,644	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	68,276				61,448	(68,276)					(6,828)	68,276	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	68,276	(6,262)			6,262							68,276	
School Choice	16-495-034-5120-068	7/1/15-6/30/16	431,086				387,977	(431,086)					(43,109)	431,086	
School Choice	15-495-034-5120-068	7/1/14-6/30/15	403,274	(36,978)			36,978							403,274	
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	128,454					(128,454)		(128,454)			(128,454)	128,454	
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	228,343	(228,343)			228,343							228,343	
Non Public Transportation	16-100-034-5120-068	7/1/15-6/30/16	29,528					(29,528)		(29,528)			(29,528)	29,528	
Non Public Transportation	15-100-034-5120-473	7/1/14-6/30/15	24,744	(24,774)			24,774							24,744	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	23,200				20,880	(23,200)					(2,320)	23,200	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,200	(2,123)			2,123							23,200	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	23,200				20,880	(23,200)					(2,320)	23,200	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,200	(2,123)			2,123							23,200	
On Behalf of TPAF Pension Contributions	16-495-034-5095-006	7/1/15-6/30/16	1,177,447				1,177,447	(1,177,447)						1,177,447	
On Behalf of TPAF Post Retirement Medical Benefits	16-495-034-5095-001	7/1/15-6/30/16	1,402,013				1,402,013	(1,402,013)						1,402,013	
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	7/1/15-6/30/16	1,085,572				1,032,163	(1,085,572)		(53,409)			(53,409)	1,085,572	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	1,080,758	(52,823)			52,823							1,080,758	
Total General Fund				\$ (425,225)	\$ 0	\$ 0	\$ 5,245,557	\$ (5,151,570)	\$ 0	\$ 0	\$ (211,391)	\$ 0	\$ (331,238)	\$ 7,786,159	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	8,965				8,965	(8,739)					(226)	8,739	
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	10,188		49				(49)					10,139	
Security Aid		7/1/15-6/30/16	3,925				3,925	(3,902)					(23)	3,902	
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	14,130				14,130	(12,031)					(2,099)	12,031	
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	16,219		1,399				(1,399)					14,820	
Technology Services	16-100-034-5120-373	7/1/15-6/30/16	4,082				4,082	(3,500)					(582)	3,500	
Technology Services	15-100-034-5120-373	7/1/14-6/30/15	5,472		153				(153)					5,319	
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	9,370				9,370	(9,370)						9,370	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	14,765		11,340				(11,340)					3,425	
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	5,644				5,644	(4,827)					(817)	4,827	
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	7,847		3,615				(3,615)					4,232	
Auxiliary Services:															
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	41,455				41,455	(21,065)					(20,390)	21,065	
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	45,686		24,501				(24,501)					21,285	
English as a Second Language	16-100-034-5120-067	7/1/15-6/30/16	2,588				2,588						(2,588)	0	
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	822		36				(36)					786	
Transportation	16-100-034-5120-068	7/1/15-6/30/16	3,281				3,281	(3,281)						3,281	
Transportation	15-100-034-5120-068	7/1/14-6/30/15	3,569		357				(357)					3,212	
Handicapped Services:															
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	5,016				5,016	(4,348)					(668)	4,348	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	4,418		1,856				(1,856)					2,562	
Total Special Revenue Fund				\$ 0	\$ 43,306	\$ 0	\$ 89,491	\$ (62,324)	\$ (43,306)	\$ 0	\$ 0	\$ (27,167)	\$ 0	\$ 128,104	
Enterprise Fund:															
National School Lunch Program (State)	16-100-034-5120-122	7/1/15-6/30/16	5,926				4,794	(5,926)			(1,132)		(1,132)	5,926	
National School Lunch Program (State)	15-100-034-5120-122	7/1/14-6/30/15	5,487	(433)			433							5,487	
Total Enterprise Fund				\$ (433)	\$ 0	\$ 0	\$ 433	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,487	
Total State Financial Assistance				\$ (425,658)	\$ 43,306	\$ 0	\$ 5,335,481	\$ (5,213,894)	\$ (43,306)	\$ 0	\$ (211,391)	\$ (27,167)	\$ (331,238)	\$ 7,919,750	
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04 On Behalf of TPAF Pension Contributions															
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04															
See accompanying notes to schedules of financial assistance.															

K-5

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2016

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 (\$562) and for the Special Revenue Fund is (\$8,190). 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	\$ -	\$ 5,151,008	\$ 5,151,008
Special Revenue Fund	630,448	71,063	701,511
Capital Projects Fund		389,350	389,350
Food Service	<u>179,911</u>	<u>5,926</u>	<u>185,837</u>
Total Financial Assistance	<u>\$ 810,359</u>	<u>\$ 5,617,347</u>	<u>\$ 6,427,706</u>

K-5

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2016

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, 2016. 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, 2016.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 BOARD OF EDUCATION
 COUNTY OF UNION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified, dated November 30, 2016
Internal control over financial reporting:	
1. Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
2. Significant Deficiencies identified that are not considered to be material weaknesses?	_____ yes <input checked="" type="checkbox"/> none reported
Noncompliance material to general-purpose financial statements noted?	_____ yes <input checked="" type="checkbox"/> no

Federal Awards and State Financial Assistance

Internal control over major programs:	
1. Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
2. Significant Deficiencies identified that are not considered to be material weaknesses?	_____ yes <input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified, dated November 30, 2016
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	_____ yes <input checked="" type="checkbox"/> no
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?	_____ yes <input checked="" type="checkbox"/> 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, 2016

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:

\$750,000

Auditee qualified as low-risk auditee?

 ✓ yes no

Identification of major programs:

Name of Federal/State Program or Cluster

Federal Awards:

CFDA Number

State Financial Assistance:

State Grant Number

<u>16-495-034-5120-089</u>	<u>Special Education Aid (State Aid Public Cluster)</u>
<u>16-495-034-5120-084</u>	<u>Security Aid (State Aid Public Cluster)</u>
<u>16-495-034-5120-068</u>	<u>School Choice (State Aid Public Cluster)</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid (State Aid Public Cluster)</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid (State Aid Public Cluster)</u>
<u>16-495-034-5120-014</u>	<u>Transportation Aid (State Aid Public Cluster)</u>
<u>16-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section II - Schedule of Financial Statement Findings

Board Secretary's Records:

2016-1

1. Finding

- a. Condition: Budgetary line amounts in the General Fund associated with Purchased Professional Educational Services (Commission for the Blind) and Assessment for Debt Service on SDA Funding were over-expended.
- b. Criteria: Approved budgetary line accounts should not be over-expended
- c. Cause: Unknown
- d. Effect: Unknown
- e. Recommendation: Approved budgetary line accounts should not be over-expended.

2016-2

1. Finding

- a. Condition: Monthly bank reconciliations for the student activity account at the Gaudineer School were not prepared.
- b. Criteria: Bank reconciliations should be prepared in a timely fashion
- c. Cause: Unknown
- d. Effect: Unknown
- e. Recommendation: Bank reconciliations should be prepared monthly.

2016-3

1. Finding

- a. Condition: Monthly Bank reconciliations for the student activity account at the Sandmier School were not prepared.
- b. Criteria: Bank reconciliations should be prepared in a timely fashion
- c. Cause: Unknown
- d. Effect: Unknown
- e. Recommendation: Bank reconciliations should be prepared monthly.

2016-4

1. Finding

- a. Condition: Requisition forms were not prepared prior to expenditures at the Sandmier school.
- b. Criteria: Requisition forms should be prepared and approved by the appropriate supervisor prior to the expenditure of funds.
- c. Cause: Unknown
- d. Effect: Unknown
- e. Recommendation: Requisition forms should be prepared and approved by the appropriate supervisor prior to the expenditure of funds.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016**

Follow-up on Prior Year Findings

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

N/A