

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

Jobstown, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

JOBSTOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT BUSINESS OFFICE

OUTLINE OF CAFR

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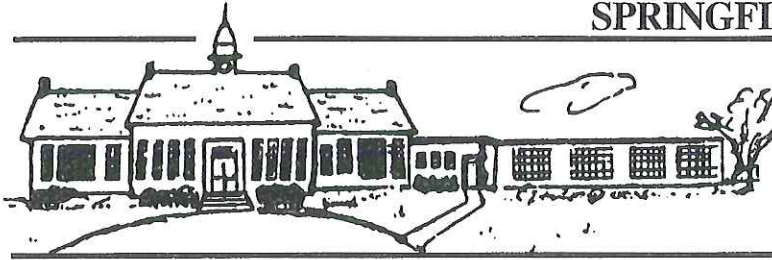
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INTRODUCTORY SECTION

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT



2146 JACKSONVILLE JOBSTOWN ROAD
JOBSTOWN, NEW JERSEY 08041
(609) 723-2479
FAX (609) 723-6112

CRAIG VAUGHN SUPERINTENDENT/PRINCIPAL

BRUCE M. BENEDETTI INTERIM BUS ADV

February 20, 2017

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

Dear Board Members:

The comprehensive annual financial report of the Springfield Township School District for the fiscal year ended June 30, 2016 is hereby submitted, responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit, the organizational chart and a list of principal officials, the financial schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget "Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations", and the State Treasury Circular letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control 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:

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

The School District provides a full range of educational services appropriate to grade levels K through 6. These include regular education, academic enrichment programs and Special Education instruction and Child Study Team services. Special Education for Preschool handicapped is operated in a consortium of school district programs. The School District completed the 2015-2016 fiscal year with an enrollment of 224 students (June 2016). The following details the changes in the student enrollment of the District over the last ten years.

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

| Fiscal Year | Average Daily Enrollment | Percent Change |
|-------------------------------|---------------------------------|-----------------------|
| 2015-16 | 223.7 | (8.58%) |
| 2014-15 | 244.7 | 0.00% |
| 2013-14 | 244.7 | (6.73%) |
| 2012-13 | 262.3 | (8.86%) |
| 2011-12 | 287.8 | (0.55%) |
| 2010-11 | 289.4 | (3.47%) |
| 2009-10 | 299.8 | (2.85%) |
| 2008-09 | 308.6 | .75% |
| 2007-08 | 306.3 | (1.2%) |
| 2006-07 | 310.1 | (0.6%) |
| Total Decrease Over Ten Years | | 27.86% |

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

For the 2015-2016 school year, the Springfield Township School District prioritized its budgetary resources on maintaining superior educational programming, providing cutting-edge instructional technology, and ensuring students and staff have access to materials and ancillary resources that support high quality instruction. A goal of the Board of Education was to alleviate the burden of expenses created by material needs and routine school supplies; by taking a conservative approach to these needs and working with suppliers through competitive pricing, this goal was achieved.

Professional development for certificated staff continues to be a focus. Highlights regarding PD include the continued work with Rider University toward the implementation of the Next Generation Science Standards, in-district literacy and mathematics coaching, shared training opportunities with our regional cohort of districts, weekly Professional Learning Community meetings focusing on a variety of topics (including assessment analysis, project-based learning, and teacher-led themes), and participation in the annual Northern Burlington County "Techshare".

Grant funding will offer our district opportunities to offset local monies for the 2016-2017 school year. Out-of-district tuition payments are funded through the IDEA grant, while the district is able to fully implement a Reading Recovery program thanks to funds from NCLB Title 1. Due to a calculation error by the state, our district's REAP grant was significantly reduced; however, funds are available to provide a small offset for professional development.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are canceled or are included as reappropriations of fund balance in the subsequent year. Amounts to be re-appropriated 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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:


State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison P.C., was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Office of Management and Budget Uniform Guidance and State Treasury Circular Letter 15-08. This auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit sections of this report.

10. ACKNOWLEDGEMENTS:

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

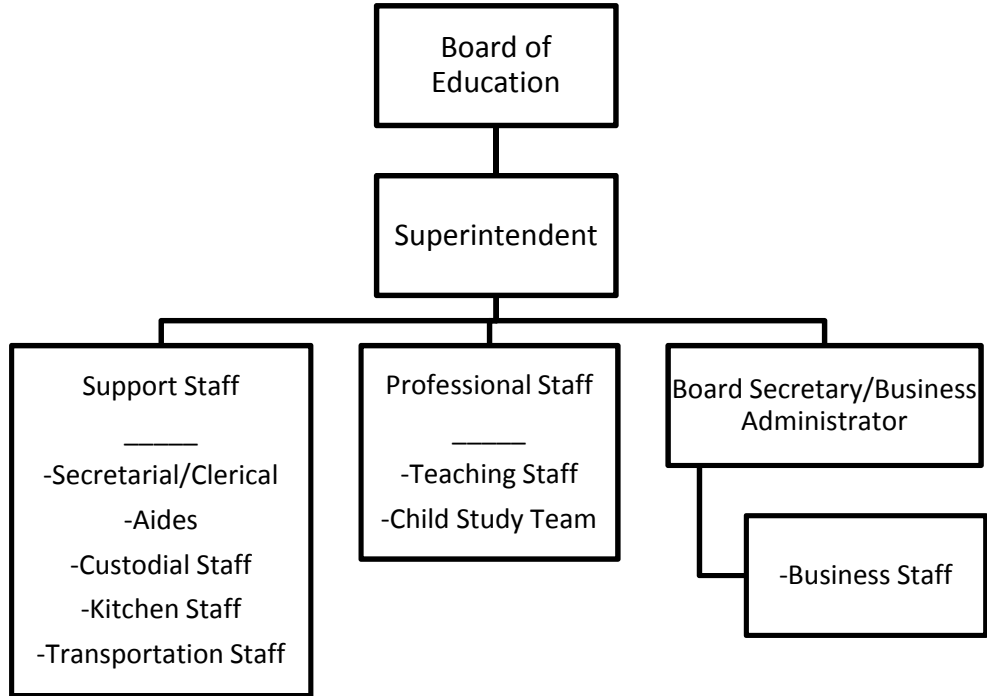


Craig Vaughn
Superintendent



Bruce Benedetti
Interim School Business Administrator /
Board Secretary

Springfield Township School District
Organizational Chart
(Unit Control)



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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2016

| MEMBERS OF THE BOARD OF EDUCATION | TERM EXPIRES |
|--|---------------------|
| Gregory Madia, President | 2019 |
| Andrew B. Eaton, Vice President | 2017 |
| Joesph M. Bucs | 2017 |
| Wade Hale | 2018 |
| Kristen Lippincott | 2018 |
| Michael Ramalho | 2019 |
| Dennis Schmieder | 2017 |
| James Specca | 2018 |
| Jennifer Webb | 2019 |

OTHER OFFICIALS

Craig Vaughn, Chief School Administrator

Bruce Benedetti, Interim Business Administrator/Board Secretary

Amy Lerner, Treasurer of School Monies

Robert A. Muccilli, Esq., Solicitor

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

AUDIT FIRM

John J. Maley, Jr.
Holman Frenia Allison, P. C.
6 East Park Street
Bordentown, NJ 08505

ATTORNEY

Robert A. Muccilli
Capehart Scatchard
800 Midlantic Drive
Mt Laurel, NJ 08054

OFFICIAL DEPOSITORY

Beneficial Bank
305 Bordentown-Chesterfield Road
Chesterfield, New Jersey 08515

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Springfield Township School District
County of Burlington
Jobstown, New Jersey 08041

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, County of Burlington, 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 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; the standards applicable to financial audits contained in *Governmental 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 from 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 District'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 District'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, each major fund and the aggregate remaining fund information of the Springfield Township School District, County of Burlington, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively*, and is also not a required part of the basic financial statements.

The accompanying combining statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates 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 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 combining statements and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 February 20, 2017 on our consideration of the Springfield Township School District'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 Springfield Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
February 20, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

As management of the Springfield Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard 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

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,547,904(*net position*).
- Governmental activities have unrestricted net position of \$(1,270,502). The accounting treatments in the governmental funds for net pension liability, compensated absences payable, accrued interest payable and the June state aid payments, and state statues that prohibit school districts from maintaining more than two percent (2%) of the adopted budget as unrestricted fund balance are primarily responsible for this minimum balance.
- The total net position of the School District increased by \$366,780, or a 30.97% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$3,581,090 resulting in an ending fund balance of \$4,154,310. This was a result of the School District providing financing for various capital improvements.
- Business-type activities have unrestricted net position of \$3,296 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program).
- The School District's long-term obligations increased by \$4,501,695, which is mostly due to the District's issuance of \$4,104,000 in serial bonds to provide financing for capital projects.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund – the

Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

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

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

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2016. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2016.

The assets of the primary governmental activities exceeded liabilities by \$1,547,904 with an unrestricted balance of \$(1,270,502). As mentioned earlier, unrestricted net position are low primarily due to the accounting treatment for compensated absences payable, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than two percent (2%) of the adopted budget as unrestricted fund balance. The net position of the primary government does not include internal balances.

A balance of \$3,262,284, which is restricted for use for capital projects, represents the majority of the School District's net position. Net position of \$4,012,860 has been restricted as follows:

| | |
|---|--------------------|
| Restricted for Capital Projects | \$3,262,284 |
| Restricted for Future Budget Appropriations | 212,786 |
| Restricted for Encumbrances | 3,835 |
| Restricted for Future Maintenance Costs | 101,800 |
| Restricted for Future Capital Projects | 65,736 |
| Restricted for Subsequent Year's Budget | <u>366,419</u> |
| Total | <u>\$4,012,860</u> |

Comparative Summary of Net Position as of June 30, 2016 and 2015

Springfield Township School District's Net Position

| | 2016 | | 2015 | | Total 2016 | Total 2015 |
|---|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| | Governmental | Business- Type | Governmental | Business- Type | | |
| Assets | | | | | | |
| Current and Other Assets | \$ 4,156,810 | \$ 10,505 | \$ 573,220 | \$ 12,350 | \$ 4,167,315 | \$ 585,570 |
| Capital Assets | 2,909,546 | - | 1,820,267 | - | 2,909,546 | 1,820,267 |
| Total Assets | 7,066,356 | 10,505 | 2,393,487 | 12,350 | 7,076,861 | 2,405,837 |
| Deferred Outflow of Resources | | | | | | |
| Deferred Outflows Related to Pensions | 306,637 | - | 83,784 | - | 306,637 | 83,784 |
| Total Deferred Outflow of Resources | 306,637 | - | 83,784 | - | 306,637 | 83,784 |
| Total Deferred Outflow of Resources and Assets | 7,372,993 | 10,505 | 2,477,271 | 12,350 | 7,383,498 | 2,489,621 |
| Liabilities | | | | | | |
| Current Liabilities | 131,167 | 7,209 | 52,516 | 8,019 | 138,376 | 60,535 |
| Noncurrent Liabilities | 5,604,272 | - | 1,102,577 | - | 5,604,272 | 1,102,577 |
| Total Liabilities | 5,735,439 | 7,209 | 1,155,093 | 8,019 | 5,742,648 | 1,163,112 |
| Deferred Inflow of Resources | | | | | | |
| Deferred Inflows Related to Pensions | 89,650 | - | 142,089 | - | 89,650 | 142,089 |
| Total Deferred Inflow of Resources | 89,650 | - | 142,089 | - | 89,650 | 142,089 |
| Total Deferred Inflow of Resources and Liabilities | 5,825,089 | 7,209 | 1,297,182 | 8,019 | 5,832,298 | 1,305,201 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | (1,194,454) | - | 1,820,267 | - | (1,194,454) | 1,820,267 |
| Restricted | 4,012,860 | - | 441,996 | - | 4,012,860 | 441,996 |
| Unrestricted | (1,270,502) | 3,296 | (1,082,174) | 4,331 | (1,267,206) | (1,077,843) |
| Total Net Position | \$ 1,547,904 | \$ 3,296 | \$ 1,180,089 | \$ 4,331 | \$ 1,551,200 | \$ 1,184,420 |

Governmental Activities

Governmental activities increased the net position of the School District by \$367,815 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Revenues increased \$487,611 due to an increase in SDA Grant funding revenues compared to the prior year.
- Total expenditures increased \$63,910 or 1.10% in fiscal year 2015-2016 when compared to fiscal year 2014-2015. The increase in expenditures can be attributed to the current year accrual of interest related to the bonds issued in the current year and an increase in salaries and health benefits costs.

Business-Type Activities

- Business-Type activities decreased the School District's net position by \$1,035. This is the result of the loss in the food service program.

Comparative Schedule of Changes in Net Position as of and for the Fiscal Year Ended June 30, 2016 and 2015

Table 2

| | Governmental | | Business-type | | Total | Total |
|-------------------------------------|--------------|------------|---------------|------------|--------------|--------------|
| | Activities | | Activities | | | |
| | 2016 | 2016 | 2015 | 2015 | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ - | \$ 58,952 | \$ - | \$ 59,042 | \$ 58,952 | \$ 59,042 |
| Operating Grants & Contributions | 1,087,399 | 39,721 | 1,082,973 | 33,712 | 1,127,120 | 1,116,685 |
| General Revenues: | | | | | | |
| Property Taxes | 3,472,249 | - | 3,450,249 | - | 3,472,249 | 3,450,249 |
| Grants and Entitlements | 1,630,056 | - | 1,268,361 | - | 1,630,056 | 1,268,361 |
| Other | 49,073 | 15,030 | 31,484 | 7 | 64,103 | 31,491 |
| Total Revenues | \$ 6,238,777 | \$ 113,703 | \$ 5,833,067 | \$ 92,761 | \$ 6,352,480 | \$ 5,925,828 |
| Program Expenses: | | | | | | |
| Instruction | \$ 2,982,567 | \$ - | \$ 2,956,642 | \$ - | \$ 2,982,567 | \$ 2,956,642 |
| Support Services: | | | | | | |
| Tuition | 55,332 | - | 96 | - | 55,332 | 96 |
| Student & instructional related | 643,098 | - | 762,829 | - | 643,098 | 762,829 |
| School administrative services | 71,450 | - | 64,252 | - | 71,450 | 64,252 |
| General administration | 185,337 | - | 247,127 | - | 185,337 | 247,127 |
| Central services | 115,386 | - | 144,495 | - | 115,386 | 144,495 |
| Plant operations & maintenance | 379,718 | - | 466,735 | - | 379,718 | 466,735 |
| Pupil transportation | 186,573 | - | 179,824 | - | 186,573 | 179,824 |
| Employee benefits | 1,046,753 | - | 915,890 | - | 1,046,753 | 915,890 |
| Unallocated depreciation | 76,081 | - | 69,162 | - | 76,081 | 69,162 |
| Interest & other changes in Debt | 128,667 | - | - | - | 128,667 | - |
| Food service | - | 114,738 | - | 98,373 | 114,738 | 98,373 |
| Total expenses | \$ 5,870,962 | \$ 114,738 | \$ 5,807,052 | \$ 98,373 | \$ 5,985,700 | \$ 5,905,425 |
| Increase (Decrease) in Net Position | \$ 367,815 | \$ (1,035) | \$ 26,015 | \$ (5,612) | \$ 366,780 | \$ 20,403 |

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$4,154,310, an increase of \$3,581,090 in comparison with the prior year. The unassigned fund balance for the School District at the end of the fiscal year represents the unassigned fund balance for the General Fund of \$135,717. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed: (1) restricted cash reserved for future capital outlay expenditures \$65,736; (2) appropriated as a revenue source in the subsequent year’s budget \$366,419; (3) restricted for future maintenance projects \$101,800; (4) assigned for other purposes \$3,835; or (5) restricted for excess surplus \$212,786.

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

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

Capital Asset and Debt Administration

The School District’s investment in capital assets for its governmental and business-type activities as of June 30, 2016, totaled \$2,909,546 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District’s net capital assets for the current fiscal year was \$1,089,279.

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

- Depreciation expense for the current fiscal year was \$76,081.
- Capital Asset additions of \$1,165,360

| | Governmental Funds | | Business-type | |
|------------------------------------|---------------------|---------------------|---------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 90,889 | \$ 90,889 | \$ - | \$ - |
| Construction in progress | 1,296,585 | 131,225 | - | - |
| Site Improvements | 182,339 | 182,339 | - | - |
| Building and Building Improvements | 2,812,737 | 2,812,737 | - | - |
| Vehicles | 48,292 | 48,292 | - | - |
| Machinery and Equipment | 384,888 | 384,888 | 43,200 | 43,200 |
| Less: Accumulated Depreciation | (1,909,184) | (1,830,103) | (43,200) | (43,200) |
| | <u>\$ 2,906,546</u> | <u>\$ 1,820,267</u> | <u>\$ -</u> | <u>\$ -</u> |

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

Long-term debt – During the fiscal year ended June 30, 2016, the School District issued bonded debt in the amount of \$4,104,000.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$11,934,326 and the legal debt margin was \$7,830,326.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2015-2016 fiscal year:

- The overall budget is \$113,763 less than FY2014-2015 due to a decrease in student transportation and maintenance of plant service budget appropriations.
- In order to minimize expenditures, the District participates in multiple cost-saving shared service agreements.
- The Springfield Township School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

| ASSETS | GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTALS <u>JUNE 30,</u> 2016 |
|--|----------------------------|---------------------------------|-----------------------------------|
| Cash & Cash Equivalents | \$ 3,392,518 | \$ 547 | \$ 3,393,065 |
| Accounts Receivable: | | | |
| Federal | 86,663 | 6,118 | 92,781 |
| State | 465,246 | 146 | 465,392 |
| Other | 43,974 | - | 43,974 |
| Internal Balances | 873 | (873) | - |
| Inventory | - | 4,567 | 4,567 |
| Capital Assets, Non-Depreciable (Note 7) | 1,387,474 | - | 1,387,474 |
| Capital Assets, Depreciable, Net (Note 7) | 1,522,072 | - | 1,522,072 |
| Restricted Cash | 167,536 | - | 167,536 |
| Total Assets | 7,066,356 | 10,505 | 7,076,861 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Related to Pensions | 306,637 | - | 306,637 |
| Total Deferred Outflows of Resources | 306,637 | - | 306,637 |
| Total Assets and Deferred Outflows of Resources | 7,372,993 | 10,505 | 7,383,498 |
| LIABILITIES | | | |
| Accounts Payable | - | 5,656 | 5,656 |
| Unearned Revenue | 2,500 | 1,553 | 4,053 |
| Accrued Interest Payable | 128,667 | - | 128,667 |
| Noncurrent Liabilities (Note 6) - Due Beyond One Year | 5,604,272 | - | 5,604,272 |
| Total Liabilities | 5,735,439 | 7,209 | 5,742,648 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Pension | 89,650 | - | 89,650 |
| Total Deferred Inflows of Resources | 89,650 | - | 89,650 |
| Total Liabilities and Deferred Inflows of Resources | 5,825,089 | 7,209 | 5,832,298 |
| NET POSITION | | | |
| Net Investment in Capital Assets | (1,194,454) | - | (1,194,454) |
| Restricted For: | | | |
| Capital Projects | 3,262,284 | - | 3,262,284 |
| Other Purposes | 750,576 | - | 750,576 |
| Unrestricted | (1,270,502) | 3,296 | (1,267,206) |
| Total Net Position | \$ 1,547,904 | \$ 3,296 | \$ 1,551,200 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | | NET (EXPENSES) REVENUE AND CHANGED IN NET POSITION | | | TOTALS |
|--|------------------|----------------------|----------------------------------|-------------------------|--|---------------|----------------|--------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | JUNE 30, 2016 | | |
| Governmental Activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | \$ 2,522,903 | \$ - | 44,330 | \$ (2,478,573) | \$ - | \$ | (2,478,573) | |
| Special Education | 313,432 | - | - | (313,432) | - | | (313,432) | |
| Other Instruction | 146,232 | - | - | (146,232) | - | | (146,232) | |
| Support Services: | | | | | | | | |
| Tuition | 55,332 | - | - | (55,332) | - | | (55,332) | |
| Student & Instruction Related Services | 643,098 | - | 66,203 | (576,895) | - | | (576,895) | |
| General Administrative Services | 185,337 | - | - | (185,337) | - | | (185,337) | |
| School Administrative Services | 71,450 | - | - | (71,450) | - | | (71,450) | |
| Central Services | 115,386 | - | - | (115,386) | - | | (115,386) | |
| Plant Operations and Maintenance | 379,718 | - | - | (379,718) | - | | (379,718) | |
| Pupil Transportation | 186,573 | - | - | (186,573) | - | | (186,573) | |
| Unallocated Employee Benefits | 1,046,753 | - | 976,866 | (69,887) | - | | (69,887) | |
| Interest & Other Changes in Long-Term Debt | 128,667 | - | - | (128,667) | - | | (128,667) | |
| Unallocated Depreciation | 76,081 | - | - | (76,081) | - | | (76,081) | |
| Total Governmental Activities | 5,870,962 | - | 1,087,399 | (4,783,563) | - | | (4,783,563) | |
| Business-Type Activities: | | | | | | | | |
| Food Service | 114,738 | 58,952 | 39,721 | - | (16,065) | | (16,065) | |
| Total Business-Type Activities | 114,738 | 58,952 | 39,721 | - | (16,065) | | (16,065) | |
| Total Primary Government | \$ 5,985,700 | \$ 58,952 | \$ 1,127,120 | \$ (4,783,563) | \$ (16,065) | | \$ (4,799,628) | |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | 3,472,249 | - | | 3,472,249 | |
| Federal & State Aid Unrestricted | | | | 1,630,056 | - | | 1,630,056 | |
| Investment Earnings | | | | 76 | 30 | | 106 | |
| Tuition from Individuals | | | | 31,925 | - | | 31,925 | |
| Miscellaneous Income | | | | 32,072 | - | | 32,072 | |
| Operating Transfers | | | | (15,000) | 15,000 | | - | |
| Total General Revenues, Special Items, Extraordinary Items & Transfers | | | | 5,151,378 | 15,030 | | 5,166,408 | |
| Change In Net Position | | | | 367,815 | (1,035) | | 366,780 | |
| Net Position - Beginning | | | | 1,180,089 | 4,331 | | 1,184,420 | |
| Net Position - Ending | | | | \$ 1,547,904 | \$ 3,296 | | \$ 1,551,200 | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

B. Fund Financial Statements

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Governmental Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

| ASSETS | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|---|-------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| | | | | | JUNE 30, 2016 |
| Cash & Cash Equivalents | \$ 663,364 | \$ - | \$ 2,813,317 | \$ - | \$ 3,476,681 |
| Accounts Receivable: | | | | | |
| Federal | - | 86,663 | - | - | 86,663 |
| State | 10,546 | - | 454,700 | - | 465,246 |
| Other | 2,500 | - | - | - | 2,500 |
| Interfund Receivable | 42,347 | - | - | 5,733 | 48,080 |
| Restricted Cash | 167,536 | - | - | - | 167,536 |
| Total Assets | \$ 886,293 | \$ 86,663 | \$ 3,268,017 | \$ 5,733 | \$ 4,246,706 |
| LIABILITIES & FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | \$ - | \$ 84,163 | \$ - | \$ - | \$ 84,163 |
| Interfunds | - | - | 5,733 | - | 5,733 |
| Unearned Revenue | - | 2,500 | - | - | 2,500 |
| Total Liabilities | - | 86,663 | 5,733 | - | 92,396 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Excess Surplus | 212,786 | - | - | - | 212,786 |
| Excess Surplus Designated for Subsequent Year Expenditures | 83,047 | - | - | - | 83,047 |
| Capital Reserve | 65,736 | - | - | - | 65,736 |
| Maintenance Reserve | 101,800 | - | - | - | 101,800 |
| Capital Projects | - | - | 3,262,284 | - | 3,262,284 |
| Debt Service | - | - | - | 5,733 | 5,733 |
| Assigned to: | | | | | |
| Other Purposes | 3,835 | - | - | - | 3,835 |
| Subsequent Year's Budget | 283,372 | - | - | - | 283,372 |
| Unassigned: | | | | | |
| General Fund | 135,717 | - | - | - | 135,717 |
| Total Fund Balances | 886,293 | - | 3,262,284 | 5,733 | 4,154,310 |
| Total Liabilities & Fund Balances | \$ 886,293 | \$ 86,663 | \$ 3,268,017 | \$ 5,733 | |

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

| | |
|---|---------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$4,815,730 and the accumulated depreciation is \$1,906,184. | 2,909,546 |
| Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds. | 216,987 |
| Accrued interest payable is not recorded in the fund financial statements due to the due to the fact that a payable is not due in the current period. | (128,667) |
| 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. | <u>(5,604,272)</u> |
| Net position of Governmental Activities | <u>\$ 1,547,904</u> |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS JUNE 30, 2016 |
|---|-------------------|----------------------------|-----------------------------|-------------------------|----------------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 3,472,249 | \$ - | \$ - | \$ - | \$ 3,472,249 |
| Tuition from Individuals | 31,925 | - | - | - | 31,925 |
| Interest Earned | 76 | - | - | - | 76 |
| Other Local Revenues/Miscellaneous | 26,170 | - | 5,733 | - | 31,903 |
| Total Local Sources | 3,530,420 | - | 5,733 | - | 3,536,153 |
| State Sources | 1,741,348 | - | 402,210 | - | 2,143,558 |
| Federal Sources | - | 117,901 | - | - | 117,901 |
| Total Revenues | 5,271,768 | 117,901 | 407,943 | - | 5,797,612 |
| Expenditures: | | | | | |
| Current Expense: | | | | | |
| Regular Instruction | 2,478,573 | 44,330 | - | - | 2,522,903 |
| Special Education Instruction | 313,432 | - | - | - | 313,432 |
| Other Instruction | 146,232 | - | - | - | 146,232 |
| Support Services & Undistributed Costs: | | | | | |
| Tuition | 55,332 | - | - | - | 55,332 |
| Student & Instruction Related Services | 576,895 | 66,203 | - | - | 643,098 |
| General Administrative Services | 183,962 | - | - | - | 183,962 |
| School Administrative Services | 71,450 | - | - | - | 71,450 |
| Central Services | 115,386 | - | - | - | 115,386 |
| Plant Operations & Maintenance | 372,350 | - | - | - | 372,350 |
| Pupil Transportation | 186,573 | - | - | - | 186,573 |
| Unallocated Employee Benefits | 520,870 | - | - | - | 520,870 |
| Capital Outlay | 1,375 | 7,368 | 1,165,360 | - | 1,174,103 |
| Total Expenditures | 5,022,430 | 117,901 | 1,165,360 | - | 6,305,691 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | 249,338 | - | (757,417) | - | (508,079) |
| Other Financing Sources/(Uses): | | | | | |
| Bond Proceeds | - | - | 4,104,169 | - | 4,104,169 |
| Transfers In/(Out) | (15,000) | - | (5,733) | 5,733 | (15,000) |
| Total Other Financing Sources/(Uses) | (15,000) | - | 4,098,436 | 5,733 | 4,089,169 |
| Net Change in Fund Balance | 234,338 | - | 3,341,019 | 5,733 | 3,581,090 |
| Fund Balances July 1 | 651,955 | - | (78,735) | - | 573,220 |
| Fund Balances June 30 | \$ 886,293 | \$ - | \$ 3,262,284 | \$ 5,733 | \$ 4,154,310 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 3,581,090

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:

| | | | |
|---------------------------------------|----|-----------------|-----------|
| Capital Outlays | \$ | 1,174,103 | |
| Debt Service Assessment | | (1,375) | |
| Assets Below Capitalization Threshold | | (7,368) | |
| Depreciation Expense | | <u>(76,081)</u> | 1,089,279 |

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

| | | | |
|--|------------------|--|----------|
| PERS Expense - District Pension Contribution | 52,516 | | |
| State Share of Unfunded TPAF Pension Expense | 455,996 | | |
| Unfunded TPAF Pension Expense | (455,996) | | |
| Pension Expense | <u>(101,563)</u> | | (49,047) |

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 position.

| | | | |
|----------------------------------|--|--|-------------|
| Proceeds of long-term debt - Net | | | (4,104,000) |
|----------------------------------|--|--|-------------|

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

| | | | |
|-------------------------------|--|--|-----------|
| Accrued Interest Current Year | | | (128,667) |
|-------------------------------|--|--|-----------|

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

| | | | |
|--------------|------------------|--|----------|
| Prior Year | 108,215 | | |
| Current Year | <u>(129,055)</u> | | (20,840) |

| | | | |
|---|----|--|-----------------------|
| Change in Net Position of Governmental Activities | \$ | | <u><u>367,815</u></u> |
|---|----|--|-----------------------|

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Proprietary Funds

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

| ASSETS | FOOD SERVICE | <u>TOTALS</u> JUNE 30, 2016 |
|----------------------|-----------------|-----------------------------------|
| Current Assets: | | |
| Cash | \$ 547 | \$ 547 |
| Accounts Receivable: | | |
| State | 146 | 146 |
| Federal | 6,118 | 6,118 |
| Inventories | 4,567 | 4,567 |
| Total Current Assets | 11,378 | 11,378 |
| Total Assets | 11,378 | 11,378 |
| | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Interfunds Payable | 873 | 873 |
| Accounts Payable | 5,656 | 5,656 |
| Unearned Revenue | 1,553 | 1,553 |
| Total Liabilities | 8,082 | 8,082 |
| | | |
| NET POSITION | | |
| Unrestricted | 3,296 | 3,296 |
| Total Net Position | \$ 3,296 | \$ 3,296 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | | <u>TOTALS</u> |
|---------------------------------------|-----------------|------------------|
| | FOOD SERVICE | JUNE 30, 2016 |
| Operating Revenues: | | |
| Local Sources: | | |
| Daily Sales - Reimbursable Programs | \$ 39,642 | \$ 39,642 |
| Daily Sales - Nonreimbursable Program | 19,310 | 19,310 |
| | | |
| Total Operating Revenue | 58,952 | 58,952 |
| | | |
| Operating Expenses: | | |
| Salaries and Fringe Benefits | 55,538 | 55,538 |
| Supplies and Materials | 1,963 | 1,963 |
| Other Costs | 1,888 | 1,888 |
| Management Fee | 8,585 | 8,585 |
| Miscellaneous Expenses | 1,673 | 1,673 |
| Cost of Sales | 45,091 | 45,091 |
| | | |
| Total Operating Expenses | 114,738 | 114,738 |
| | | |
| Operating Income/(Loss) | (55,786) | (55,786) |
| | | |
| Nonoperating Revenues (Expenses): | | |
| State Sources: | | |
| State School Lunch Program | 788 | 788 |
| Federal Sources: | | |
| National School Lunch Program | 21,573 | 21,573 |
| School Breakfast Program | 8,027 | 8,027 |
| Food Distribution Program | 9,333 | 9,333 |
| Local Sources: | | |
| Interest Earned | 30 | 30 |
| | | |
| Total Nonoperating Revenue/(Expenses) | 39,751 | 39,751 |
| | | |
| Other Financing Sources/(Uses): | | |
| Operating Transfers In/(Out) | 15,000 | 15,000 |
| | | |
| Total Other Financing Sources/(Uses) | 15,000 | 15,000 |
| | | |
| Change in Net Position | (1,035) | (1,035) |
| Total Net Position - Beginning | 4,331 | 4,331 |
| | | |
| Total Net Position - Ending | \$ 3,296 | \$ 3,296 |
| | | |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | FOOD SERVICE | TOTALS <u> </u> |
|--|-----------------|---------------------------------------|
| | | JUNE 30, 2016 |
| Cash Flows from Operating Activities: | | |
| Receipts from Customers | \$ 58,952 | \$ 58,952 |
| Payments to Employees | (55,538) | (55,538) |
| Payments to Suppliers | (49,717) | (49,717) |
| | <u>(46,303)</u> | <u>(46,303)</u> |
| Net Cash Provided/(Used) by Operating Activities | | |
| Cash Flows From Noncapital Financing Activities: | | |
| Cash Received from Board Contributions | 15,873 | 15,873 |
| Cash Received From State Programs | 744 | 744 |
| Cash Received From Federal Programs | 25,445 | 25,445 |
| | <u>42,062</u> | <u>42,062</u> |
| Net Cash Provided by Noncapital Financing Activities | | |
| Cash Flows from Investing Activities: | | |
| Interest on Cash Equivalents | 30 | 30 |
| | <u>30</u> | <u>30</u> |
| Net Cash Provided by Investing Activities | | |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (4,211) | (4,211) |
| Balances - Beginning of Year | 4,758 | 4,758 |
| | <u>4,758</u> | <u>4,758</u> |
| Balances - Ending of Year | \$ 547 | \$ 547 |

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

| | | |
|---|--------------|--------------|
| Operating Income (Loss) | \$ (55,786) | \$ (55,786) |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities: | | |
| Food Distribution Program | 9,333 | 9,333 |
| Change in Assets & Liabilities: | | |
| (Increase)/Decrease in Inventory | 960 | 960 |
| Increase/(Decrease) in Accounts Payable | (2,363) | (2,363) |
| Increase/(Decrease) in Unearned Revenue | 1,553 | 1,553 |
| | <u>1,553</u> | <u>1,553</u> |
| Net Cash Provided/(Used) by Operating Activities | \$ (46,303) | \$ (46,303) |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Fiduciary Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITON
JUNE 30, 2016**

| ASSETS | PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION INSURANCE</u> | AGENCY FUNDS | <u>TOTALS</u> JUNE 30, 2016 |
|--------------------------------------|--|-----------------|-----------------------------------|
| Cash & Cash Equivalents | \$ 38,514 | \$ 72,475 | \$ 110,989 |
| Total Assets | <u>38,514</u> | <u>72,475</u> | <u>110,989</u> |
| LIABILITIES | | | |
| Payroll Deductions & Withholdings | - | 5,322 | 5,322 |
| Due to Employees | - | 1,974 | 1,974 |
| Interfund Payable | - | 41,474 | 41,474 |
| Accounts Payable | 57 | - | 57 |
| Due to Student Groups | - | 23,705 | 23,705 |
| Total Liabilities | <u>57</u> | <u>72,475</u> | <u>72,532</u> |
| NET POSITION | | | |
| Reserved | <u>38,457</u> | - | <u>38,457</u> |
| Total Net Position | <u>\$ 38,457</u> | <u>\$ -</u> | <u>\$ 38,457</u> |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

| | PRIVATE PURPOSE | TOTALS |
|--------------------------------------|---|------------------|
| ADDITIONS | UNEMPLOYMENT COMPENSATION INSURANCE | JUNE 30, 2016 |
| Local Sources: | | |
| Employee Salary Deductions | \$ 1,302 | \$ 1,302 |
| Other Sources: | | |
| Interest on Investments | 60 | 60 |
| Total Additions | 1,362 | 1,362 |
| DEDUCTIONS | | |
| Unemployment Compensation | | |
| Insurance Claims | 96 | 96 |
| Total Deductions | 96 | 96 |
| Change in Net Position | 1,266 | 1,266 |
| Net Position - Beginning of the Year | 37,191 | 37,191 |
| Net Position - End of the Year | \$ 38,457 | \$ 38,457 |

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Springfield Township School District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounts policies.

Reporting Entity

The Springfield Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The operation of the District includes one elementary school located in Springfield Township. Students in grades 7 through 12 attend the Northern Burlington County Regional High School District, as a taxpaying resident. The Springfield Township School District has an approximate enrollment at June 30, 2016 of 227 Students.

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 whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The District had no component units as of for the year ended June 30, 2016.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current \ fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain an Internal service fund.

The District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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.

The District reports the following major proprietary fund:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

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.

Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that 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 loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

| | |
|-------------------------|-------------|
| Site Improvements | 20 Years |
| Building & Improvements | 20-50 Years |
| Machinery and Equipment | 5–20 Years |

Compensated Absences

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown on the following page:

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District’s financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of February 20, 2017, which is the date the financial statements were available to be issued.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Pensions Section

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 pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Cash and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$3,744,405 was exposed to custodial credit risk as follows:

| | |
|--------------------------------------|---------------------|
| Insured Under FDIC | \$ 500,000 |
| Collateralized by securities held by | |
| Pledging financial institution | 3,132,938 |
| Uninsured and uncollateralized | 111,467 |
| Total | <u>\$ 3,744,405</u> |

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 2. Cash and Investments (continued):

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer.

As of June 30, 2016, the District had no investments.

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Springfield Township School District for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The balance of the capital reserve account at June 30, 2016 is \$65,736.

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

| | | |
|---------------------------------|----|----------------------|
| Beginning Balance, July 1, 2015 | \$ | 65,660 |
| Interest Earnings | | <u>76</u> |
| Ending Balance, June 30, 2016 | \$ | <u><u>65,736</u></u> |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 3. Reserve Accounts (continued):

B. Maintenance Reserve

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance 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.

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

| | |
|---------------------------------|--------------------------|
| Beginning Balance, July 1, 2015 | \$ 26,800 |
| Transfer from Surplus | <u>75,000</u> |
| Ending Balance, June 30, 2016 | <u><u>\$ 101,800</u></u> |

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

| | General Fund | Special Revenue Fund | Capital Projects Fund | Proprietary Funds | Total |
|-------------|-------------------------|-------------------------------------|--------------------------------------|------------------------------|-------------------|
| State Aid | \$ 10,546 | \$ - | \$ 454,700 | \$ 146 | \$ 465,392 |
| Federal Aid | - | 86,663 | - | 6,118 | 92,781 |
| Other | 2,500 | - | - | - | 2,500 |
| Total | <u>\$ 13,046</u> | <u>\$ 86,663</u> | <u>\$ 454,700</u> | <u>\$ 6,264</u> | <u>\$ 560,673</u> |

Note 5. Inventory

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

| | |
|----------|-----------------------|
| Food | \$3,886 |
| Supplies | <u>681</u> |
| Total | <u><u>\$4,567</u></u> |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 6. Long-Term Obligations

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

| | June 30, 2015 | Accrued/ Increases | Retired/ Decreases | June 30, 2016 | Due Within One Year |
|---------------------------------|--------------------------|-------------------------------|-------------------------------|--------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 108,215 | \$ 20,840 | \$ - | \$ 129,055 | \$ - |
| Bonds Payable | - | 4,104,000 | - | 4,104,000 | - |
| Net Pension Liability | 994,362 | 376,855 | - | 1,371,217 | - |
| Total | \$ 1,102,577 | \$ 4,501,695 | \$ - | \$ 5,604,272 | \$ - |

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences are liquidated by the general fund.

A. Bonds Payable:

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

| Purpose | Interest Rate | Maturity Date | Amount Issued | Amount Outstanding |
|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|
| General Obligation Bonds | Various | 7/15/17 - 7/15/36 | \$ 4,104,000 | \$ 4,104,000 |
| Total | | | | \$ 4,104,000 |

Principal and Interest due on the outstanding bonds is as follows:

| Year-ending June 30, | Principal | Interest | Total |
|---------------------------------|---------------------|---------------------|---------------------|
| 2017 | \$ - | \$ 140,364 | \$ 140,364 |
| 2018 | 149,000 | 140,364 | 289,364 |
| 2019 | 155,000 | 135,894 | 290,894 |
| 2020 | 155,000 | 131,244 | 286,244 |
| 2021 | 160,000 | 12,593 | 172,593 |
| 2022-2026 | 880,000 | 557,969 | 1,437,969 |
| 2027-2031 | 1,045,000 | 415,456 | 1,460,456 |
| 2032-2035 | 1,275,000 | 214,000 | 1,489,000 |
| 2036 | 285,000 | 11,400 | 296,400 |
| Total | \$ 4,104,000 | \$ 1,759,284 | \$ 5,863,284 |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 6. Long-Term Obligations (continued):

B. Bonds Authorized But Not Issued:

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

C. Capital Leases Payable:

At June 30, 2016, the District had no Capital Leases outstanding.

Note 7. Capital Assets

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2016:

| | June 30, 2015 | Additions | Deletions | June 30, 2016 |
|--|------------------|--------------|-----------|------------------|
| Governmental Activities: | | | | |
| Capital assets that are not being depreciated: | | | | |
| Land | \$ 90,889 | \$ - | \$ - | \$ 90,889 |
| Construction in Progress | 131,225 | 1,165,360 | - | 1,296,585 |
| | <hr/> | | | <hr/> |
| Total capital assets not being depreciated | 222,114 | 1,165,360 | - | 1,387,474 |
| | <hr/> | | | <hr/> |
| Land improvements | 182,339 | - | - | 182,339 |
| Buildings and improvements | 2,812,737 | - | - | 2,812,737 |
| Machinery and equipment | 433,180 | - | - | 433,180 |
| | <hr/> | | | <hr/> |
| Subtotal | 3,428,256 | - | - | 3,428,256 |
| Less: accumulated depreciation: | | | | |
| Land improvements | (137,709) | (4,103) | - | (141,812) |
| Buildings and improvements | (1,401,877) | (57,392) | - | (1,459,269) |
| Machinery and equipment | (290,517) | (14,586) | - | (305,103) |
| | <hr/> | | | <hr/> |
| Total accumulated depreciation | (1,830,103) | (76,081) | - | (1,906,184) |
| | <hr/> | | | <hr/> |
| Total capital assets being depreciated, net | 1,598,153 | (76,081) | - | 1,522,072 |
| | <hr/> | | | <hr/> |
| Governmental activities capital assets, net | \$ 1,820,267 | \$ 1,089,279 | \$ - | \$ 2,909,546 |
| | <hr/> | | | <hr/> |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 7. Capital Assets (continued):

The following schedule is a summary of the proprietary fund type fixed assets at June 30, 2016:

| | June 30, 2015 | Additions | Deletions | June 30, 2016 |
|---|--------------------------|------------------|------------------|--------------------------|
| Business-Type Activities: | | | | |
| Capital assets being depreciated: | | | | |
| Machinery & Equipment | \$ 43,200 | \$ - | \$ - | \$ 43,200 |
| Less: accumulated depreciation: | | | | |
| Equipment | (43,200) | - | - | (43,200) |
| Business-type activities capital assets, net | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Note 8: Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

| Year Funded | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------|--|--|---------------------------------------|
| 6/30/2016 | \$ 57,761 | 100% | \$ 1,371,217 |
| 6/30/2015 | 43,783 | 100% | 994,362 |
| 6/30/2014 | 44,590 | 100% | 1,113,091 |

Components of Pension Liability - At June 30, 2016, the District reported a liability of \$1,371,217 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.00611% percent, which was an increase of 0.00008% from its proportion measured as of June 30, 2014.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Balances at June 30, 2016 and June 30, 2015

| Actuarial valuation date | <u>6/30/2016</u> July 1, 2015 | <u>6/30/2015</u> July 1, 2014 |
|---|----------------------------------|----------------------------------|
| Deferred Outflows of Resources | \$ 306,637 | \$ 83,784 |
| Deferred Inflows of Resources | \$ 89,650 | \$ 142,086 |
| Net Pension Liability | \$ 1,371,217 | \$ 994,362 |
| District's portion of the Plan's total Net Pension Liability | 0.00611% | 0.00531% |

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$101,563. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Changes of assumptions | \$ 147,258 | \$ - |
| Net difference between expected and actual experience | 32,712 | |
| Net difference between projected and actual earnings on pension plan investments | - | 22,047 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 126,667 | 67,603 |
| | <u>\$ 306,637</u> | <u>\$ 89,650</u> |

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: | |
|---------------------|--------|
| 2017 | 42,672 |
| 2018 | 42,672 |
| 2019 | 42,672 |
| 2020 | 57,485 |
| 2021 | 31,486 |
| Thereafter | - |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

| | <u>PERS</u> |
|--------------------------|---|
| Measurement date | June 30, 2015 |
| Actuarial valuation date | July 1, 2014 |
| Interest rate | 7.90% |
| Salary scale | 2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age |
| Inflation rate | 3.01% |

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|------------------------------|---|
| Cash | 5.00% | 1.04% |
| U.S. Treasuries | 1.75% | 1.64% |
| Investment Grade Credit | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Equities | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds/Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.21% |
| Total | 100.00% | |

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

| | <u>Decrease</u> <u>(3.90%)</u> | <u>Discount</u> <u>(4.90%)</u> | <u>Increase</u> <u>(5.90%)</u> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| District's proportionate share of the net pension liability | \$ 1,704,255 | \$ 1,371,217 | \$ 1,092,000 |

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

| Year Funded | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------|--|--|---------------------------------------|
| 6/30/2016 | \$ 362,138 | 100% | - |
| 6/30/2015 | 296,560 | 100% | - |
| 6/30/2014 | 239,284 | 100% | - |

Teachers Pensions 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.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

| | <u>TPAF</u> |
|--------------------------|-------------------------------|
| Measurement date | June 30, 2015 |
| Actuarial valuation date | July 1, 2014 |
| Interest rate | 7.90% |
| Salary scale | Varies Based On Experience |
| Inflation rate | 2.50% |

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| US Cash | 5.00% | 0.53% |
| US Government Bonds | 1.75% | 1.39% |
| US Credit Bonds | 13.50% | 2.72% |
| US Mortgages | 2.10% | 2.54% |
| US Inflation-Indexed Bonds | 1.50% | 1.47% |
| US High Yield Bonds | 2.00% | 4.57% |
| US Equity Market | 27.25% | 5.63% |
| Foreign-Developed Equity | 12.00% | 6.22% |
| Emerging Market Equities | 6.40% | 8.46% |
| Private Real Estate Property | 4.25% | 3.97% |
| Timber | 1.00% | 4.09% |
| Farmland | 1.00% | 4.61% |
| Private Equity | 9.25% | 9.15% |
| Commodities | 1.00% | 3.58% |
| Hedge Funds - MultiStrategy | 4.00% | 4.59% |
| Hedge Funds - Equity Hedge | 4.00% | 5.68% |
| Hedge Funds - Distressed | 4.00% | 4.30% |
| Total | <u>100%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

Defined Contribution Retirement Plan (DCRP) – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$5,425, and the District recognized pension expense of \$2,959.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, 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.

Note 10. Interfund Receivables, Payables and Transfers

The following interfund balances remained on the balance sheet at June 30, 2016:

| Fund | Interfund Receivable | Interfund Payable |
|-----------------------|---------------------------------|------------------------------|
| General Fund | \$ 42,347 | \$ - |
| Capital Projects Fund | - | 5,733 |
| Debt Service Fund | 5,733 | - |
| Food Service Fund | - | 873 |
| Payroll Agency Fund | - | 41,474 |
| | <u>\$ 48,080</u> | <u>\$ 48,080</u> |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 10. Interfund Receivables, Payables and Transfers (continued):

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

| Fund | Transfers In | Transfers Out |
|-----------------------|---------------------|----------------------|
| General Fund | \$ 4,215,854 | \$ 4,045,075 |
| Capital Projects Fund | 3,981,436 | 4,188,829 |
| Debt Service Fund | - | 5,733 |
| Food Service Fund | 27,898 | 27,025 |
| Payroll Agency Fund | 41,474 | - |
| | <u>\$ 8,266,662</u> | <u>\$ 8,266,662</u> |

The purposes of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

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

The Fund publishes its own financial report which can be obtained by writing to: Burlington County Insurance Pool Joint Insurance Fund, Five Greentree Centre, Suite 410, Marlton, New Jersey, 08053.

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 School District contributions, reimbursements

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 11. Risk Management (continued):

to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

| Fiscal Year | District Contributions | Employee Contributions | Amount Reimbursed | Ending Balance |
|-------------|---------------------------|---------------------------|----------------------|-------------------|
| 2015-2016 | \$ 60 | \$ 1,302 | \$ 96 | \$ 38,457 |
| 2014-2015 | 35 | 2,594 | 71 | 37,191 |
| 2013-2014 | 34 | 3,874 | 4,399 | 34,633 |

Note 12. Litigation

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, 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.

There is no pending litigation involving any material monetary amount.

Note 13. Economic Dependency

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

Note 14. Deferred Compensation

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

Note 15. 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.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 15. Compensated Absences (continued):

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$129,055.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016 no liability existed for compensated absences in the proprietary fund types.

Note 16. Fund Balance Disclosures

General Fund (Exhibit B-1) – Of the \$886,293 General Fund fund balance at June 30, 2016, \$83,047 is restricted for excess surplus designated for subsequent years expenditures; \$283,372 is assigned to the subsequent year's budget; \$65,736 is restricted to establish the Capital Reserve Account; \$101,800 is restricted to establish the Maintenance Reserve Account; \$212,786 is restricted for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$3,835 is assigned for Other Purposes and \$135,717 is unassigned.

Capital Projects Fund (Exhibit B-1) – The fund balance of \$3,262,284 has been restricted for the Capital Projects Fund.

Debt Service Fund (Exhibit B-1) – The fund balance of \$5,733 has been restricted for the Debt Service Fund.

Note 17. 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 year-end 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 \$212,786.

Note 18. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net Position, a deficit in unrestricted net position of \$(1,270,502) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
JUNE 30, 2016**

Note 18. Deficit Unrestricted Net Position (continued):

absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Deficit Net Investment in Capital Assets

As reflected on Exhibit A-1, Statement of Net Position, a deficit in Net Investment in Capital Assets of \$(1,194,454) existed as of June 30, 2016 for governmental activities. The primary cause of this deficit is the District's debt issuance in the current year of \$4,104,000. In accordance with full accrual accounting and GASBS 65, which is the basis of accounting for Exhibit A-1, Statement of Net Position, Net Investment in Capital Assets is reduced by capital related debt, which will be budgeted and paid in future periods. Therefore, this deficit in Net Investment in Capital Assets does not indicate that the District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBERS | JUNE 30, 2016 | | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-----------------|------------------|------------------|------------------|------------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 10-1210 | \$ 3,472,249 | \$ - | \$ 3,472,249 | \$ 3,472,249 | \$ - |
| Tuition from Individuals | 10-1310 | 20,000 | - | 20,000 | 31,925 | 11,925 |
| Interest Earned on Capital Reserve Funds | 10-1xxx | 750 | - | 750 | 76 | (674) |
| Other Local Revenue/Miscellaneous | 10-1XXX | - | - | - | 26,170 | 26,170 |
| Total Local Sources | | 3,492,999 | - | 3,492,999 | 3,530,420 | 37,421 |
| State Sources: | | | | | | |
| Categorical Special Education Aid | 10-3132 | 159,516 | - | 159,516 | 159,516 | - |
| Equalization Aid | 10-3176 | 763,643 | - | 763,643 | 763,643 | - |
| Categorical Security Aid | 10-3177 | 22,191 | - | 22,191 | 22,191 | - |
| Adjustment Aid | 10-3178 | 100,078 | - | 100,078 | 100,078 | - |
| Categorical Transportation Aid | 10-3121 | 139,769 | - | 139,769 | 139,769 | - |
| Additional Adjustment Aid | 10-3199 | 23,512 | - | 23,512 | 23,512 | - |
| PARCC Readiness Aid | 10-3199 | 2,420 | - | 2,420 | 2,420 | - |
| Per Pupil Growth Aid | 10-3199 | 2,420 | - | 2,420 | 2,420 | - |
| Nonpublic Transportation Aid | 10-3xxx | - | - | - | 2,262 | 2,262 |
| On-behalf of TPAF Pension Contributions | 10-3901 | - | - | - | 165,305 | 165,305 |
| On-behalf of TPAF Post-Retirement Medical Contributions | 10-3901 | - | - | - | 196,833 | 196,833 |
| Reimbursed TPAF Social Security Contributions | 10-3902 | - | - | - | 158,732 | 158,732 |
| Total State Sources | | 1,213,549 | - | 1,213,549 | 1,736,681 | 523,132 |
| Total Revenues | | 4,706,548 | - | 4,706,548 | 5,267,101 | 560,553 |
| Expenditures: | | | | | | |
| Current Expense: | | | | | | |
| Regular Programs - Instruction: | | | | | | |
| Salaries of Teachers: | | | | | | |
| Preschool | 11-105-100-101 | 53,101 | 315 | 53,416 | 53,416 | - |
| Kindergarten | 11-110-100-101 | 145,241 | 1,684 | 146,925 | 146,925 | - |
| Grades 1 - 5 | 11-120-100-101 | 879,574 | 35,614 | 915,188 | 870,147 | 45,041 |
| Grades 6 - 8 | 11-130-100-101 | 187,915 | (1,730) | 186,185 | 186,049 | 136 |
| Home Instruction - Regular Programs: | | | | | | |
| Salaries of Teachers | 11-150-100-101 | 1,251 | (76) | 1,175 | - | 1,175 |
| Regular Programs - Undistributed Instruction: | | | | | | |
| Other Salaries for Instruction | 11-190-100-106 | 227,006 | 8,978 | 235,984 | 235,984 | - |
| Purchased Professional - Educational Services | 11-190-100-320 | 6,733 | (1,958) | 4,775 | 4,775 | - |
| Purchased Technical Services | 11-190-100-340 | 11,991 | 69 | 12,060 | 12,060 | - |
| Other Purchased Services | 11-190-100-500 | 375 | 4,153 | 4,528 | 4,528 | - |
| General Supplies | 11-190-100-610 | 83,014 | 81,202 | 164,216 | 118,444 | 45,772 |
| Other Objects | 11-190-100-800 | 1,450 | 74,815 | 76,265 | 2,265 | 74,000 |
| Total Regular Programs - Instruction | | 1,597,651 | 203,066 | 1,800,717 | 1,634,593 | 166,124 |
| Special Education: | | | | | | |
| Multiple Disabilities: | | | | | | |
| Salaries of Teachers | 11-212-100-101 | 68,935 | 471 | 69,406 | 69,406 | - |
| Other Salaries for Instruction | 11-212-100-106 | 22,464 | 2,000 | 24,464 | - | 24,464 |
| Purchased Professional - Other Purchased Services (400-500) | 11-212-100-500 | - | 3,343 | 3,343 | 3,343 | - |
| Total Multiple Disabilities | | 91,399 | 5,814 | 97,213 | 72,749 | 24,464 |
| Resource Room/Resource Center | | | | | | |
| Salaries of Teachers | 11-213-100-101 | 145,167 | 1,457 | 146,624 | 146,624 | - |
| Other Salaries for Instruction | 11-213-100-106 | 90,554 | 3,505 | 94,059 | 94,059 | - |
| Total Resource Room/Resource Center | | 235,721 | 4,962 | 240,683 | 240,683 | - |
| Home Instruction: | | | | | | |
| Salaries of Teachers | 11-219-100-101 | 1,250 | (1,003) | 247 | - | 247 |
| Total Home Instruction | | 1,250 | (1,003) | 247 | - | 247 |
| Total Special Education | | 328,370 | 9,773 | 338,143 | 313,432 | 24,711 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBERS | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-----------------|------------------|------------------|------------------|------------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Basic Skills/Remidal | | | | | | |
| Salaries of Teachers | 11-230-100-101 | 138,540 | 775 | 139,315 | 139,028 | 287 |
| General Supplies | 11-230-100-610 | 5,336 | 668 | 6,004 | 6,004 | - |
| Total Basic Skills/Remedial | | 143,876 | 1,443 | 145,319 | 145,032 | 287 |
| School Sponsored Cocurricular Activities: | | | | | | |
| Salaries | 11-401-100-100 | - | 1,200 | 1,200 | 1,200 | - |
| Total School Sponsored Cocurricular Activities | | - | 1,200 | 1,200 | 1,200 | - |
| Total Instruction | | 2,069,897 | 215,482 | 2,285,379 | 2,094,257 | 191,122 |
| Undistributed Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Tuition to CSSD & Regional Day Schools | 11-000-100-565 | - | 4,707 | 4,707 | 4,707 | - |
| Tuition to Private Schools for the Disabled - Within State | 11-000-100-566 | 32,795 | 17,830 | 50,625 | 50,625 | - |
| Total Instruction | | 32,795 | 22,537 | 55,332 | 55,332 | - |
| Attendance & Social Work Services: | | | | | | |
| Salaries | 11-000-211-100 | 108,351 | (39,262) | 69,089 | 69,089 | - |
| Other Purchased Services | 11-000-211-500 | 6,527 | - | 6,527 | 6,527 | - |
| Total Attendance & Social Work Services | | 114,878 | (39,262) | 75,616 | 75,616 | - |
| Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 64,464 | (1,151) | 63,313 | 63,313 | - |
| Purchased Professional & Techninal Services | 11-000-213-300 | 2,000 | (89) | 1,911 | 1,911 | - |
| Supplies and Materials | 11-000-213-600 | 2,295 | 1,871 | 4,166 | 4,160 | 6 |
| Total Health Services | | 68,759 | 631 | 69,390 | 69,384 | 6 |
| Speech, OT, PT & Related Services: | | | | | | |
| Salaries | 11-000-216-100 | 60,103 | (2,113) | 57,990 | 57,990 | - |
| Purchased Professional/Educational Services | 11-000-216-320 | - | 18,736 | 18,736 | 17,666 | 1,070 |
| Other Purchased Professional & Technical Services | 11-000-216-390 | - | 2,365 | 2,365 | 578 | 1,787 |
| Total Speech, OT, PT & Related Services | | 60,103 | 18,988 | 79,091 | 76,234 | 2,857 |
| Guidance: | | | | | | |
| Salaries of Other Professional Staff | 11-000-218-104 | - | 39,167 | 39,167 | 37,852 | 1,315 |
| Total Guidance | | - | 39,167 | 39,167 | 37,852 | 1,315 |
| Child Study Teams: | | | | | | |
| CST Oth Pay | 11-000-219-100 | - | 210 | 210 | 210 | - |
| Salaries of Secretarial & Clerical Assisstants | 11-000-219-105 | 33,874 | 920 | 34,794 | 34,794 | - |
| Purchased Professional & Technical Services | 11-000-219-390 | 60,000 | (1,651) | 58,349 | 58,349 | - |
| Miscellaneous Purchased Services | 11-000-219-592 | 150 | (150) | - | - | - |
| Supplies & Materials | 11-000-219-600 | 5,529 | 1,184 | 6,713 | 6,713 | - |
| Other Objects | 11-000-219-800 | 643 | 427 | 1,070 | 1,070 | - |
| Total Child Study Team | | 100,196 | 940 | 101,136 | 101,136 | - |
| Improvement of Instruction: | | | | | | |
| Salary of Supervisor of Instruction | 11-000-221-102 | 101,553 | (8,664) | 92,889 | 55,389 | 37,500 |
| Supplies and Materials | 11-000-221-600 | 1,640 | 1,857 | 3,497 | 3,497 | - |
| Other Objects | 11-000-221-800 | - | 7,983 | 7,983 | 7,983 | - |
| Total Improvement of Instruction | | 103,193 | 1,176 | 104,369 | 66,869 | 37,500 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBERS | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|-----------------|-----------------|------------------|----------------|----------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Educational Media Services/School Library: | | | | | | |
| Salaries | 11-000-222-100 | 72,683 | 2,126 | 74,809 | 74,809 | - |
| Purchased Professional & Technical Services | 11-000-222-300 | 52,204 | 2,434 | 54,638 | 54,638 | - |
| Supplies and Materials | 11-000-222-600 | 500 | 3,425 | 3,925 | 3,925 | - |
| Total Educational Media Services/School Library | | 125,387 | 7,985 | 133,372 | 133,372 | - |
| Instructional Staff Training: | | | | | | |
| Salaries | 11-000-223-100 | - | 320 | 320 | 320 | - |
| Other Purchased Services | 11-000-223-500 | 32,299 | 4,126 | 36,425 | 15,524 | 20,901 |
| Supplies and Materials | 11-000-223-610 | - | 643 | 643 | 588 | 55 |
| Total Instructional Staff Training | | 32,299 | 5,089 | 37,388 | 16,432 | 20,956 |
| Support Services General Administration: | | | | | | |
| Salaries | 11-000-230-100 | 142,000 | (16,631) | 125,369 | 125,369 | - |
| Health Benefits | 11-000-230-270 | 56,000 | (56,000) | - | - | - |
| Legal Services | 11-000-230-331 | 15,000 | (8,769) | 6,231 | 6,231 | - |
| Audit Fees | 11-000-230-332 | 17,000 | 1,270 | 18,270 | 17,770 | 500 |
| Other Purchased Professional Services | 11-000-230-339 | 7,435 | (77) | 7,358 | 5,778 | 1,580 |
| Communications/Telephone | 11-000-230-530 | 18,700 | (736) | 17,964 | 16,615 | 1,349 |
| BOE Workshop Reg | 11-000-230-580 | - | 152 | 152 | 152 | - |
| BOE Other Pruchased Services | 11-000-230-585 | 2,256 | 174 | 2,430 | 2,430 | - |
| Misc Purchase Svc | 11-000-230-590 | - | 1,556 | 1,556 | 1,205 | 351 |
| Supplies and Materials | 11-000-230-610 | 2,830 | (2,315) | 515 | 515 | - |
| Miscellaneous Expenditures | 11-000-230-890 | 4,145 | 1,030 | 5,175 | 4,777 | 398 |
| BOE Membership Dues & Fees | 11-000-230-895 | 3,120 | - | 3,120 | 3,120 | - |
| Total Support Services General Administration | | 268,486 | (80,346) | 188,140 | 183,962 | 4,178 |
| Support Services School Administration: | | | | | | |
| Salaries of Principals & Assistant Principal | 11-000-240-103 | 39,540 | 15,877 | 55,417 | 55,417 | - |
| Salaries of Secretarial & Clerical Assistants | 11-000-240-105 | 16,009 | 26 | 16,035 | 16,033 | 2 |
| Total Support Services School Administration | | 55,549 | 15,903 | 71,452 | 71,450 | 2 |
| Support Services Central Services: | | | | | | |
| Salaries | 11-000-251-100 | 107,773 | 6,034 | 113,807 | 95,318 | 18,489 |
| Purchased Professional Services | 11-000-251-330 | 15,640 | 151 | 15,791 | 15,452 | 339 |
| Miscellaneous Purchase Services | 11-000-251-590 | 2,250 | (1,701) | 549 | 236 | 313 |
| Supplies and Materials | 11-000-251-600 | 2,750 | 37 | 2,787 | 1,860 | 927 |
| Miscellaneous Expenditures | 11-000-251-890 | 1,577 | 1,903 | 3,480 | 2,520 | 960 |
| Total Support Services Central Services | | 129,990 | 6,424 | 136,414 | 115,386 | 21,028 |
| Required Maintenance for School Facilities | | | | | | |
| Salaries | 11-000-261-100 | 112,959 | 2,121 | 115,080 | 114,841 | 239 |
| Cleaning, Repair & Maintenance Services | 11-000-261-420 | 30,574 | 13,346 | 43,920 | 38,411 | 5,509 |
| General Supplies | 11-000-261-610 | 14,000 | (4,123) | 9,877 | 5,162 | 4,715 |
| Other Objects | 11-000-261-800 | 6,100 | (881) | 5,219 | 4,196 | 1,023 |
| Total Required Maintenance for School Facilities | | 163,633 | 10,463 | 174,096 | 162,610 | 11,486 |
| Custodial Services: | | | | | | |
| Salaries | 11-000-262-100 | 93,566 | 3,030 | 96,596 | 96,529 | 67 |
| Sal Non-Instruct Aides | 11-000-262-107 | - | 210 | 210 | 80 | 130 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 8,489 | - | 8,489 | 3,297 | 5,192 |
| Insurance | 11-000-262-520 | 12,000 | 2,099 | 14,099 | 14,099 | - |
| General Supplies | 11-000-262-610 | 18,500 | 15,117 | 33,617 | 31,893 | 1,724 |
| Energy (Natural Gas) | 11-000-262-621 | 32,500 | - | 32,500 | 16,882 | 15,618 |
| Energy (Electricity) | 11-000-262-622 | 65,780 | - | 65,780 | 46,685 | 19,095 |
| Other Objects | 11-000-262-800 | 400 | - | 400 | 275 | 125 |
| Total Custodial Services | | 231,235 | 20,456 | 251,691 | 209,740 | 41,951 |
| Total Operation & Maintenance of Plant Services | | 394,868 | 30,919 | 425,787 | 372,350 | 53,437 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | ACCOUNT NUMBERS | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-----------------|------------------|------------------|------------------|------------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Student Transportation Services: | | | | | | |
| Salaries - (Between Home & School) - Regular | 11-000-270-160 | 35,365 | (1,958) | 33,407 | 15,768 | 17,639 |
| Cleaning, Repair & Maintenance Services | 11-000-270-420 | 3,000 | - | 3,000 | 1,244 | 1,756 |
| Aid in Lieu of Payments | 11-000-270-503 | 17,680 | (3,931) | 13,749 | 11,837 | 1,912 |
| Contracted Services -Between Home & School- Joint Agreements | 11-000-270-513 | 130,704 | 11,667 | 142,371 | 142,371 | - |
| Contracted Services -Special Education- Joint Agreements | 11-000-270-515 | 4,500 | 4,672 | 9,172 | 9,172 | - |
| Miscellaneous Purchased Services - Transportation | 11-000-270-593 | 1,800 | - | 1,800 | 1,800 | - |
| Transport Gas Sup | 11-000-270-615 | - | 3,492 | 3,492 | 3,492 | - |
| Miscellaneous Expenditures | 11-000-270-800 | 1,000 | 789 | 1,789 | 889 | 900 |
| Total Student Transportation Services | | 194,049 | 14,731 | 208,780 | 186,573 | 22,207 |
| Regular Instruction - Employee Benefits | | | | | | |
| Group Insurance | 11-100-291-210 | 1,100 | 341 | 1,441 | 980 | 461 |
| Social Security Contributions | 11-100-291-220 | 64,550 | (6,000) | 58,550 | 57,813 | 737 |
| Other Retirement Contributions - PERS | 11-100-291-241 | 49,569 | 8,245 | 57,814 | 57,761 | 53 |
| Other Retirement Contributions - Regular | 11-100-291-249 | 3,981 | - | 3,981 | 2,959 | 1,022 |
| Workmen's Compensation | 11-100-291-260 | 12,574 | - | 12,574 | 12,574 | - |
| Health Benefits | 11-100-291-270 | 900,294 | (116,669) | 783,625 | 631,973 | 151,652 |
| Tuition Reimbursement | 11-100-291-280 | 11,400 | 2,197 | 13,597 | 13,597 | - |
| Other Employee Benefits | 11-100-291-290 | 2,680 | 82,655 | 85,335 | 66,323 | 19,012 |
| Total Regular Instruction - Employee Benefits | | 1,046,148 | (29,231) | 1,016,917 | 843,980 | 172,937 |
| Transfer to Cover Deficit | | - | 15,000 | 15,000 | 15,000 | - |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Pension Contribution | | - | - | - | 165,305 | (165,305) |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 196,833 | (196,833) |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 158,732 | (158,732) |
| Total Undistributed Expenditures | | 2,726,700 | 30,651 | 2,757,351 | 2,941,798 | (184,447) |
| Total Expenditures - Current Expense | | 4,796,597 | 246,133 | 5,042,730 | 5,036,055 | 6,675 |
| Capital Outlay: | | | | | | |
| Interest Deposit to Capital Reserve | 10-604 | 750 | - | 750 | - | 750 |
| Equipment: | | | | | | |
| Café Non-Instructional Equipment | 12-000-261-732 | - | 3,835 | 3,835 | - | 3,835 |
| Total Equipment | | 750 | 3,835 | 4,585 | - | 4,585 |
| Facilities Acquisition & Construction Services: | | | | | | |
| Assessment for Debt Service on SDA Funding | 12-000-400-896 | 1,375 | - | 1,375 | 1,375 | - |
| Total Facilities Acquisition & Construction Services | | 1,375 | - | 1,375 | 1,375 | - |
| Total Capital Outlay | | 2,125 | 3,835 | 5,960 | 1,375 | 4,585 |
| Total Expenditures | | 4,798,722 | 249,968 | 5,048,690 | 5,037,430 | 11,260 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| ACCOUNT NUMBERS | JUNE 30, 2016 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|--------------------|---------------------|-----------------|--------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (92,174) | (249,968) | (342,142) | 229,671 | 571,813 |
| Fund Balances, July 1 | 773,167 | - | 773,167 | 773,167 | - |
| Fund Balances, June 30 | \$ 680,993 | \$ (249,968) | \$ 431,025 | \$ 1,002,838 | \$ 571,813 |

RECAPITULATION OF BUDGET TRANSFERS

| | |
|---|-------------------|
| Prior Year Reserve for Encumbrances | \$ 253,050 |
| Prior Year Reserve for Encumbrances Cancelled | <u>(3,082)</u> |
| Total Budget Transfers | <u>\$ 249,968</u> |

RECAPITULATION OF FUND BALANCE

| | |
|--|-------------------|
| Restricted Fund Balance: | |
| Capital Reserve | \$ 65,736 |
| Maintenance Reserve | 101,800 |
| Excess Surplus | 212,786 |
| Excess Surplus Designated for Subsequent Year's Expenditures | 83,047 |
| Assigned Fund Balance: | |
| Year-end Encumbrances | 3,835 |
| Designated for Subsequent Year's Expenditures | 283,372 |
| Unassigned Fund Balance | <u>252,262</u> |
| Subtotal | <u>1,002,838</u> |
| Reconciliation to Governmental Fund Statements (GAAP): | |
| Last Two State Aid Payment Not Recognized on GAAP Basis | <u>(116,545)</u> |
| Fund Balance per Governmental Funds (GAAP) | <u>\$ 886,293</u> |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | JUNE 30, 2016 | | | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|--------------------|---------------------|-----------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | |
| REVENUES | | | | |
| Federal Sources | \$ 76,887 | \$ 50,723 | \$ 127,610 | \$ 117,901 (9,709) |
| Total Revenues | 76,887 | 50,723 | 127,610 | 117,901 (9,709) |
| EXPENDITURES: | | | | |
| Instruction: | | | | |
| Tuition | - | 44,207 | 44,207 | 44,207 - |
| General Supplies | - | 123 | 123 | 123 - |
| Total Instruction | - | 44,330 | 44,330 | 44,330 - |
| Support Services: | | | | |
| Employee Benefits | - | 4,320 | 4,320 | 4,320 - |
| Purchased Professional/Technical Services | 76,887 | (5,427) | 71,460 | 66,203 5,257 |
| Total Support Services | 76,887 | (1,107) | 75,780 | 66,203 9,577 |
| Facilities Acquisition & Construction Services: | | | | |
| Instructional Equipment | - | 7,500 | 7,500 | 7,368 132 |
| Total Expenditures | 76,887 | 50,723 | 127,610 | 117,901 9,709 |
| Total Outflows | 76,887 | 50,723 | 127,610 | 117,901 9,709 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) | \$ - | \$ - | \$ - | \$ - |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
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**

| | GENERAL FUND | SPECIAL REVENUE FUND |
|---|---------------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" | | |
| From the Budgetary Comparison Schedule (C-Series) | \$ 5,267,101 | \$ 117,901 |
| Difference - Budget to GAAP: | | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 121,212 | - |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) | (116,545) | - |
| | <hr/> | <hr/> |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2) | <u>\$ 5,271,768</u> | <u>\$ 117,901</u> |
| Uses/Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | \$ 5,037,430 | \$ 117,901 |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received is 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. | - | - |
| | <hr/> | <hr/> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2) | <u>\$ 5,037,430</u> | <u>\$ 117,901</u> |

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|--------------|-------------|--------------|
| District's proportion of the net pension liability (asset) | 0.00611% | 0.00531% | 0.00582% |
| District's proportionate share of the net pension liability (asset) | \$ 1,371,217 | \$ 994,362 | \$ 1,113,091 |
| District's covered-employee payroll | \$ 385,814 | \$ 413,022 | \$ 421,694 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 355.41% | 240.75% | 263.96% |
| Plan fiduciary net position as a percentage of the total pension liability | 47.93% | 52.08% | 48.72% |

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS**

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|---------------|
| Contractually required contribution | \$ 54,576 | \$ 52,516 | \$ 43,783 |
| Contributions in relation to the contractually required contribution | <u>54,576</u> | <u>52,516</u> | <u>43,783</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 385,814 | \$ 413,022 | 413,022 |
| Contributions as a percentage of covered- employee payroll | 14.15% | 12.72% | 10.60% |

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------|---------------|--------------|
| District's proportion of the net pension liability (asset) | 0.02120% | 0.02143% | 0.01774% |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 13,399,076 | \$ 11,452,856 | \$ 8,967,397 |
| District's covered-employee payroll | \$ 2,016,217 | \$ 2,124,683 | \$ 2,102,662 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 28.71% | 33.64% | 33.76% |

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | TITLE I | TITLE IIA | REAP | I.D.E.A. PRESCHOOL | I.D.E.A. BASIC | TOTALS |
|---|-----------------|-----------------|------------------|-----------------------|-------------------|-------------------|
| Revenues: | | | | | | |
| Federal Sources | \$ 9,768 | \$ 4,893 | \$ 25,180 | \$ 5,030 | \$ 73,030 | \$ 117,901 |
| Total Revenues | <u>\$ 9,768</u> | <u>\$ 4,893</u> | <u>\$ 25,180</u> | <u>\$ 5,030</u> | <u>\$ 73,030</u> | <u>\$ 117,901</u> |
| Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Tuition | \$ - | \$ - | \$ - | \$ - | \$ 44,207 | \$ 44,207 |
| General Supplies | - | 123 | - | - | - | 123 |
| Total Instruction | - | 123 | - | - | 44,207 | 44,330 |
| Support Services: | | | | | | |
| Purchased Professional - Technical Services | 2,400 | 4,770 | 25,180 | 5,030 | 28,823 | 66,203 |
| Total Support Services | <u>2,400</u> | <u>4,770</u> | <u>25,180</u> | <u>5,030</u> | <u>28,823</u> | <u>66,203</u> |
| Facilities Acquisition & Construction Services: | | | | | | |
| Instructional Equipment | 7,368 | - | - | - | - | 7,368 |
| Total Facilities Acquisition & Construction Services | <u>7,368</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,368</u> |
| Total Expenditures | <u>\$ 9,768</u> | <u>\$ 4,893</u> | <u>\$ 25,180</u> | <u>\$ 5,030</u> | <u>\$ 73,030</u> | <u>\$ 117,901</u> |

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F. Capital Projects Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2016**

| PROJECT TITLE | DATE | APPROPRIATIONS | EXPENDITURES TO DATE | | UNEXPENDED BALANCE JUNE 30, 2016 |
|--|------------|----------------|----------------------|-----------------|---|
| | | | PRIOR YEARS | CURRENT YEAR | |
| Springfield Elementary School Improvements | 02/26/2014 | \$ 6,365,281 | \$ 131,225 | \$ 1,165,360 | \$ 5,068,696 |
| | | | Total \$ | \$ 1,165,360 | \$ 5,068,696 |

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2016:

| | |
|--|---------------------|
| Unexpended Project Balances June 30, 2016 | \$ 5,068,696 |
| Less: | |
| Unexpended State Aid - ROD Grants | (1,806,412) |
| Total Fund Balance (GAAP Basis) - June 30, 2016 | \$ 3,262,284 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | |
|---|--------------|
| Revenues: | |
| State Sources - SDA Grant | \$ (31,250) |
| Other Financing Sources | 665,625 |
| Interest Earnings | 5,733 |
| | <hr/> |
| Total Revenues | 640,108 |
| | <hr/> |
| Expenditures: | |
| Purchased Professional & Technical Services | 247,349 |
| Construction Services | 884,916 |
| Other | 33,095 |
| Transfer to Debt Service Fund | 5,733 |
| | <hr/> |
| Total Expenditures | 1,171,093 |
| | <hr/> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (530,985) |
| Fund Balance - Beginning | 5,599,681 |
| | <hr/> |
| Fund Balance - Ending | \$ 5,068,696 |
| | <hr/> <hr/> |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
SPRINGFIELD ELEMENTARY SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|---------------------|---------------------|---------------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 2,292,362 | \$ (31,250) | \$ 2,261,112 | \$ 2,261,112 |
| Other Financing Sources | 3,438,544 | 665,625 | 4,104,169 | 4,104,169 |
| Total Revenues | 5,730,906 | 634,375 | 6,365,281 | 6,365,281 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 131,225 | 247,349 | 378,574 | 696,375 |
| Construction Services | - | 884,916 | 884,916 | 5,668,906 |
| Other | - | 33,095 | 33,095 | - |
| Total Expenditures | 131,225 | 1,165,360 | 1,296,585 | 6,365,281 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 5,599,681 | \$ (530,985) | \$ 5,068,696 | \$ - |

Additional Project Information:

| | |
|---|------------------|
| DOE Project # | 5010-050-14-1001 |
| SDA Project # | 5010-050-14-G3DY |
| Grant # | G5-6200 |
| Grant Date | 02/26/2014 |
| Bond Authorization Date | 05/19/2015 |
| Bonds Authorization | \$ 4,104,000 |
| Bonds Issued | \$ 4,104,000 |
| Original Authorized Cost | \$ 5,730,906 |
| Additional Authorized Cost | \$ 634,375 |
| Revised Authorized Cost | \$ 6,365,281 |
| Percentage Increase Over Original Authorized Cost | 11% |
| Percentage Completion | 20.37% |
| Original Target Completion Date | 09/01/2016 |
| Revised Target Completion Date | 09/01/2017 |

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G. Proprietary Funds

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Enterprise Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

| ASSETS | FOOD SERVICE FUND | 2016 |
|----------------------|-------------------------|-------------|
| Current Assets: | | |
| Cash | \$ 547 | \$ 547 |
| Accounts Receivable: | | |
| State | 146 | 146 |
| Federal | 6,118 | 6,118 |
| Inventories | 4,567 | 4,567 |
| | <hr/> | <hr/> |
| Total Current Assets | 11,378 | 11,378 |
| | <hr/> | <hr/> |
| Total Assets | 11,378 | 11,378 |
| | <hr/> | <hr/> |
| | | |
| LIABILITIES | | |
| Current Liabilities: | | |
| Interfunds Payable | 873 | 873 |
| Accounts Payable | 5,656 | 5,656 |
| Unearned Revenue | 1,553 | 1,553 |
| | <hr/> | <hr/> |
| Total Liabilities | 8,082 | 8,082 |
| | <hr/> | <hr/> |
| | | |
| NET POSITION | | |
| Unrestricted | 3,296 | 3,296 |
| | <hr/> | <hr/> |
| Total Net Position | \$ 3,296 | \$ 3,296 |
| | <hr/> <hr/> | <hr/> <hr/> |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | FOOD SERVICE FUND | 2016 |
|---------------------------------------|-------------------------|-----------|
| Operating Revenues: | | |
| Local Sources: | | |
| Daily Sales-Reimbursable Programs | \$ 39,642 | \$ 39,642 |
| Daily Sales-Non-Reimbursable Program | 19,310 | 19,310 |
| | | |
| Total Operating Revenue | 58,952 | 58,952 |
| Operating Expenses: | | |
| Cost of Sales | 45,091 | 45,091 |
| Salaries and Fringe Benefits | 55,538 | 55,538 |
| Supplies | 1,963 | 1,963 |
| Other Costs | 1,888 | 1,888 |
| Management Fee | 8,585 | 8,585 |
| Miscellaneous Expenses | 1,673 | 1,673 |
| | | |
| Total Operating Expenses | 114,738 | 114,738 |
| Operating Income/(Loss) | (55,786) | (55,786) |
| Nonoperating Revenues (Expenses): | | |
| State Sources: | | |
| State School Lunch Program | 788 | 788 |
| Federal Sources: | | |
| National School Lunch Program | 21,573 | 21,573 |
| School Breakfast Program | 8,027 | 8,027 |
| Food Distribution Program | 9,333 | 9,333 |
| Interest Earnings | 30 | 30 |
| | | |
| Total Nonoperating Revenue (Expenses) | 39,751 | 39,751 |
| Other Financing Sources/(Uses): | | |
| Operating Transfers In/(Out) | 15,000 | 15,000 |
| | | |
| Total Other Financing Sources/(Uses) | 15,000 | 15,000 |
| Change in Net Position | (1,035) | (1,035) |
| Total Net Position - Beginning | 4,331 | 4,331 |
| Total Net Position - Ending | \$ 3,296 | \$ 3,296 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | FOOD SERVICE FUND | 2016 |
|--|-------------------------|-------------|
| Cash Flows from Operating Activities: | | |
| Receipts from Customers | \$ 58,952 | \$ 58,952 |
| Payments to Employees | (55,538) | (55,538) |
| Payments to Suppliers | (49,717) | (49,717) |
| | <hr/> | <hr/> |
| Net Cash Provided/(Used) by Operating Activities | (46,303) | (46,303) |
| Cash Flows From Noncapital Financing Activities: | | |
| Cash Received from Board Contributions | 15,873 | 15,873 |
| Cash Received from State Sources | 744 | 744 |
| Cash Received from Federal Sources | 25,445 | 25,445 |
| | <hr/> | <hr/> |
| Net Cash Provided by Capital Financing Activities | 42,062 | 42,062 |
| Cash Flows From Investing Activities: | | |
| Interest on Cash Equivalents | 30 | 30 |
| | <hr/> | <hr/> |
| Net Cash Provided by Investing Activities | 30 | 30 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (4,211) | (4,211) |
| Balances - Beginning of Year | 4,758 | 4,758 |
| | <hr/> | <hr/> |
| Balances - Ending of Year | \$ 547 | \$ 547 |
| | <hr/> <hr/> | <hr/> <hr/> |

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

| | | |
|---|-------------|-------------|
| Operating Income (Loss) | \$ (55,786) | \$ (55,786) |
| Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities: | | |
| Food Distribution Program | 9,333 | 9,333 |
| Change in Assets & Liabilities: | | |
| (Increase)/Decrease in Inventory | 960 | 960 |
| Increase/(Decrease) in Accounts Payable | (2,363) | (2,363) |
| Increase/(Decrease) in Unearned Revenue | 1,553 | 1,553 |
| | <hr/> | <hr/> |
| Net Cash Provided/(Used) by Operating Activities | \$ (46,303) | \$ (46,303) |
| | <hr/> <hr/> | <hr/> <hr/> |

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

| ASSETS | PRIVATE PURPOSE | | AGENCY FUNDS | | 2016 |
|--------------------------------------|---|---------------------|--------------|----|---------|
| | UNEMPLOYMENT COMPENSATION INSURANCE | STUDENT ACTIVITY | PAYROLL | | |
| Assets: | | | | | |
| Cash & Cash Equivalents | \$ 38,514 | \$ 23,705 | \$ 48,770 | \$ | 110,989 |
| Total Assets | 38,514 | 23,705 | 48,770 | | 110,989 |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Due to Employees | - | - | 1,974 | | 1,974 |
| Payroll Deductions & Withholdings | - | - | 5,322 | | 5,322 |
| Due to General Fund | - | - | 41,474 | | 41,474 |
| Accounts Payable | 57 | - | - | | 57 |
| Due to Student Groups | - | 23,705 | - | | 23,705 |
| Total Liabilities | 57 | 23,705 | 48,770 | | 72,532 |
| NET POSITION | | | | | |
| Reserved | 38,457 | - | - | | 38,457 |
| Total Net Position | \$ 38,457 | \$ - | \$ - | \$ | 38,457 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2016**

| | PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE | 2016 |
|--|---|-----------|
| Additions: | | |
| Local Sources: | | |
| Employee Salary Deductions | \$ 1,302 | \$ 1,302 |
| Total Operating Revenues | 1,302 | 1,302 |
| Other Sources: | | |
| Interest on Investments | 60 | 60 |
| Total Additions | 1,362 | 1,362 |
| Deductions: | | |
| Unemployment Compensation Insurance Claims | 96 | 96 |
| Change in Net Position | 1,266 | 1,266 |
| Net Position, July 1 | 37,191 | 37,191 |
| Net Position, June 30 | \$ 38,457 | \$ 38,457 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STUDENT ACTIVITY AGENCY FUND SCHEDULE
OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| | BALANCE JULY 1, 2015 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2016 |
|------------------------|----------------------------|------------------|-----------------------|-----------------------------|
| Elementary School | \$ 24,462 | \$ 28,846 | \$ 29,603 | \$ 23,705 |
| Total Student Activity | <u>\$ 24,462</u> | <u>\$ 28,846</u> | <u>\$ 29,603</u> | <u>\$ 23,705</u> |

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| ASSETS | BALANCE JULY 1, 2015 | ADDITIONS | DISBURSEMENTS | BALANCE JUNE 30, 2016 |
|-----------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| Cash & Cash Equivalents | \$ 5,867 | \$ 3,349,772 | \$ 3,306,869 | \$ 48,770 |
| Total Assets | <u>\$ 5,867</u> | <u>\$ 3,349,772</u> | <u>\$ 3,306,869</u> | <u>\$ 48,770</u> |
| LIABILITIES | | | | |
| Payroll Deductions & Withholdings | \$ 3,347 | \$ 1,434,759 | \$ 1,432,784 | \$ 5,322 |
| Due to Employees | 2,520 | 743 | 1,289 | 1,974 |
| Due to General Fund | - | 41,474 | - | 41,474 |
| Net Payroll | <u>-</u> | <u>1,872,796</u> | <u>1,872,796</u> | <u>-</u> |
| Total Liabilities | <u>\$ 5,867</u> | <u>\$ 3,349,772</u> | <u>\$ 3,306,869</u> | <u>\$ 48,770</u> |

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I. Long-Term Debt

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES DATE | AMOUNT | INTEREST RATE | BALANCE JULY 1, 2015 | ISSUED | RETIRED | BALANCE JUNE 30, 2016 |
|--------------------------|---------------|-----------------|------------------------|------------|---------------|----------------------|--------------|---------|-----------------------|
| General Obligation Bonds | 7/15/15 | \$ 4,104,000 | 7/15/2017 | \$ 149,000 | 3.000% | \$ - | \$ 4,104,000 | \$ - | \$ 4,104,000 |
| | | | 7/15/2018 | 155,000 | 3.000% | | | | |
| | | | 7/15/2019 | 155,000 | 3.000% | | | | |
| | | | 7/15/2020 | 160,000 | 3.000% | | | | |
| | | | 7/15/2021 | 165,000 | 3.000% | | | | |
| | | | 7/15/2022 | 170,000 | 3.000% | | | | |
| | | | 7/15/2023 | 175,000 | 3.000% | | | | |
| | | | 7/15/2024 | 180,000 | 3.000% | | | | |
| | | | 7/15/2025 | 190,000 | 3.000% | | | | |
| | | | 7/15/2026 | 195,000 | 3.000% | | | | |
| | | | 7/15/2027 | 200,000 | 3.000% | | | | |
| | | | 7/15/2028 | 210,000 | 3.125% | | | | |
| | | | 7/15/2029 | 215,000 | 3.250% | | | | |
| | | | 7/15/2030 | 225,000 | 3.375% | | | | |
| | | | 7/15/2031 | 235,000 | 4.000% | | | | |
| | | | 7/15/2032 | 245,000 | 4.000% | | | | |
| | | | 7/15/2033 | 255,000 | 4.000% | | | | |
| | | | 7/15/2034 | 265,000 | 4.000% | | | | |
| | | | 7/15/2035 | 275,000 | 4.000% | | | | |
| | | | 7/15/2036 | 285,000 | 4.000% | | | | |
| Total | | | | | | \$ - | \$ 4,104,000 | \$ - | \$ 4,104,000 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
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 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - | - |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Interest | - | - | - | - | - |
| Redemption of Principal | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - | - |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfers In: | | | | | |
| Transfer in from Capital Projects | - | - | - | 5,733 | 5,733 |
| Total Other Financing Sources and Uses | - | - | - | 5,733 | 5,733 |
| Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures | - | - | - | 5,733 | 5,733 |
| Fund Balance, July 1 | - | - | - | - | - |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ 5,733 | \$ 5,733 |

STATISTICAL SECTION (Unaudited)

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|--|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ (1,194,454) | \$ 1,820,267 | \$ 1,696,128 | \$ 1,277,779 | \$ 1,304,792 | \$ 1,349,913 | \$ 1,225,052 | \$ 1,098,524 | \$ 811,121 | \$ 700,767 |
| Restricted | 4,012,860 | 441,996 | 570,503 | 1,170,413 | 970,263 | 590,789 | 435,307 | 453,813 | 416,214 | 496,260 |
| Unrestricted | (1,270,502) | (1,082,174) | 534 | 3,384 | 49,123 | 34,221 | 836 | (3,431) | (1,316) | 4,901 |
| Total Governmental Activities: | \$ 1,547,904 | \$ 1,180,089 | \$ 2,267,165 | \$ 2,451,576 | \$ 2,324,178 | \$ 1,974,923 | \$ 1,661,195 | \$ 1,548,906 | \$ 1,226,019 | \$ 1,201,928 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,605 | \$ 2,675 |
| Restricted | - | - | 8,182 | 8,182 | - | - | - | - | - | - |
| Unrestricted | 3,296 | 4,331 | 1,761 | 9,004 | 22,632 | 26,365 | 26,522 | 35,403 | 22,807 | 37,470 |
| Total Business-Type Activities: | \$ 3,296 | \$ 4,331 | \$ 9,943 | \$ 17,186 | \$ 22,632 | \$ 26,365 | \$ 26,522 | \$ 35,938 | \$ 24,412 | \$ 40,145 |
| District-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ (1,194,454) | \$ 1,820,267 | \$ 1,696,128 | \$ 1,277,779 | \$ 1,304,792 | \$ 1,349,913 | \$ 1,225,052 | \$ 1,099,059 | \$ 812,726 | \$ 703,442 |
| Restricted | 4,012,860 | 441,996 | 578,685 | 1,178,595 | 970,263 | 590,789 | 435,307 | 453,813 | 416,214 | 496,260 |
| Unrestricted | (1,267,206) | (1,077,843) | 2,295 | 12,388 | 71,755 | 60,586 | 27,358 | 31,972 | 21,491 | 42,371 |
| Total District Net Position | \$ 1,551,200 | \$ 1,184,420 | \$ 2,277,108 | \$ 2,468,762 | \$ 2,346,810 | \$ 2,001,288 | \$ 1,687,717 | \$ 1,584,844 | \$ 1,250,431 | \$ 1,242,073 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|--|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses: | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 2,522,903 | \$2,504,017 | \$1,618,553 | \$1,504,738 | \$1,311,226 | \$1,268,836 | \$1,317,272 | \$1,279,798 | \$1,278,264 | \$1,243,872 |
| Special | 313,432 | 313,019 | 343,736 | 385,391 | 477,967 | 475,580 | 394,542 | 360,060 | 261,938 | 217,847 |
| Other | 146,232 | 139,606 | 173,235 | 172,918 | 164,925 | 146,136 | 148,415 | 202,061 | 307,877 | 295,666 |
| Support Services: | | | | | | | | | | |
| Tuition | 55,332 | 96 | 96,541 | 53,729 | 78,320 | 44,200 | 55,822 | 112,700 | 259,011 | 242,927 |
| Student & Instruction Related Services | 643,098 | 762,829 | 620,787 | 489,041 | 440,669 | 471,046 | 579,310 | 378,735 | 362,897 | 348,722 |
| General & Business Administrative Services | 185,337 | 247,127 | 209,148 | 172,637 | 325,642 | 330,601 | 366,561 | 371,630 | 317,334 | 279,362 |
| School Administrative Services | 71,450 | 64,252 | 54,683 | 89,791 | 84,495 | 76,640 | 95,263 | 95,419 | 101,458 | 87,571 |
| Central Services | 115,386 | 144,495 | 137,429 | 138,809 | - | - | - | - | - | - |
| Plant Operations & Maintenance | 379,718 | 466,735 | 373,720 | 357,175 | 365,186 | 331,962 | 421,006 | 480,927 | 408,667 | 385,605 |
| Pupil Transportation | 186,573 | 179,824 | 213,925 | 224,878 | 231,208 | 271,823 | 276,091 | 274,735 | 299,550 | 272,274 |
| Business & Other Support Services | | | | | | | | | | |
| Unallocated Benefits | 1,046,753 | 915,890 | 1,300,987 | 1,334,755 | 1,174,909 | 1,066,296 | 1,079,529 | 1,013,574 | 1,189,602 | 1,122,250 |
| Special Schools | - | - | - | 8,026 | 8,139 | 10,652 | 10,027 | 10,503 | 12,099 | 13,529 |
| Interest on Long-Term Debt | 128,667 | - | - | - | - | 8,858 | 16,642 | 26,182 | 38,107 | 49,233 |
| Unallocated Depreciation | 76,081 | 69,162 | 168,860 | 28,388 | 45,010 | 56,123 | 45,237 | 49,926 | 46,963 | 9,473 |
| Total Governmental Activities Expense: | 5,870,962 | 5,807,052 | 5,311,604 | 4,960,276 | 4,707,696 | 4,558,753 | 4,805,717 | 4,656,250 | 4,883,767 | 4,568,331 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 114,738 | 98,373 | 101,495 | 111,768 | 112,339 | 101,400 | 119,283 | 115,130 | 125,572 | 115,551 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Total Business-Type Activities Expense | 114,738 | 98,373 | 101,495 | 111,768 | 112,339 | 101,400 | 119,283 | 115,130 | 125,572 | 115,551 |
| Total District Expenses | \$ 5,985,700 | \$ 5,905,425 | \$ 5,413,099 | \$ 5,072,044 | \$ 4,820,035 | \$ 4,660,153 | \$ 4,925,000 | \$ 4,771,380 | \$ 5,009,339 | \$ 4,683,882 |
| Revenues: | | | | | | | | | | |
| Operating Grants & Contributions | 1,087,399 | 1,082,973 | \$128,055 | \$ 158,692 | \$ 485,490 | \$ 444,530 | \$ 548,946 | \$ 517,037 | \$ 621,286 | \$ 590,316 |
| Total Governmental Activities Program Revenues | 1,087,399 | 1,082,973 | 128,055 | 158,692 | 485,490 | 444,530 | 548,946 | 517,037 | 621,286 | 590,316 |
| Business-Type Activities: Charges for Services: | | | | | | | | | | |
| Food Service | 58,952 | 59,042 | 61,914 | 68,503 | 83,836 | 79,556 | 81,596 | 87,090 | 82,538 | 78,896 |
| Operating Grants & Contributions | 39,721 | 33,712 | 32,324 | 29,622 | 24,763 | 21,467 | 27,973 | 23,422 | 22,127 | 22,604 |
| Total Business Type Activities Program Revenues | 98,673 | 92,754 | 94,238 | 98,125 | 108,599 | 101,023 | 109,569 | 110,512 | 104,665 | 101,500 |
| Total District Program Revenues | \$ 1,186,072 | \$ 1,175,727 | \$ 222,293 | \$ 256,817 | \$ 594,089 | \$ 545,553 | \$ 658,515 | \$ 627,549 | \$ 725,951 | \$ 691,816 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net/(Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (4,783,563) | \$ (4,724,079) | \$ (5,183,549) | \$ (4,801,584) | \$ (4,222,206) | \$ (4,114,223) | \$ (4,256,771) | \$ (4,139,213) | \$ (4,262,481) | \$ (3,978,015) |
| Business-Type Activities | (16,065) | (5,619) | (7,257) | (13,643) | (3,740) | (377) | (9,714) | (4,618) | (20,907) | (14,051) |
| Total District-Wide Net Expense | \$ (4,799,628) | \$ (4,729,698) | \$ (5,190,806) | \$ (4,815,227) | \$ (4,225,946) | \$ (4,114,600) | \$ (4,266,485) | \$ (4,143,831) | \$ (4,283,388) | \$ (3,992,066) |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| County Appropriations | \$ 3,472,249 | 3,450,249 | 3,382,597 | 3,316,272 | 3,251,247 | 3,230,096 | 3,161,544 | 3,051,946 | 2,946,803 | 2,817,569 |
| Unrestricted Grants & Contributions | 1,630,056 | 1,268,361 | 1,595,786 | 1,612,938 | 1,250,119 | 1,146,654 | 1,123,709 | 1,273,204 | 1,303,779 | 1,272,699 |
| Tuition Received | 31,925 | - | - | - | - | - | - | - | 3,300 | 11,000 |
| Investment Earnings | 76 | 40 | 252 | 125 | 84 | 836 | 881 | 205 | 11,731 | 5,676 |
| Miscellaneous Income | 32,072 | 31,444 | 20,503 | 18,370 | 65,455 | 50,365 | 82,926 | 40,402 | 25,245 | 41,718 |
| Other Financing Sources - Transfers, Miscellaneous / Other | (15,000) | - | - | - | 4,556 | - | - | (16,049) | (4,286) | (34,117) |
| Total Governmental Activities | 5,151,378 | 4,750,094 | 4,999,138 | 4,947,705 | 4,571,461 | 4,427,951 | 4,369,060 | 4,349,708 | 4,286,572 | 4,114,545 |
| Business-type Activities | 15,030 | 7 | 14 | 15 | 7 | 220 | 298 | 16,144 | 5,174 | 15,746 |
| Total District-Wide | \$ 5,166,408 | \$ 4,750,101 | \$ 4,999,152 | \$ 4,947,720 | \$ 4,571,468 | \$ 4,428,171 | \$ 4,369,358 | \$ 4,365,852 | \$ 4,291,746 | \$ 4,130,291 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 367,815 | \$ 26,015 | \$ (184,411) | \$ 146,121 | \$ 349,255 | \$ 313,728 | \$ 112,289 | \$ 210,495 | \$ 24,091 | \$ 136,530 |
| Business-Type Activities | (1,035) | (5,612) | (7,243) | (13,628) | (3,733) | (157) | (9,416) | 11,526 | (15,733) | 1,695 |
| Total District | \$ 366,780 | \$ 20,403 | \$ (191,654) | \$ 132,493 | \$ 345,522 | \$ 313,571 | \$ 102,873 | \$ 222,021 | \$ 8,358 | \$ 138,225 |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---------------------|--------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| FISCAL YEAR ENDING JUNE 30, | | | | | | | | | | |
| General Fund: | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital Reserve | \$ 65,736 | \$ 65,660 | \$ 40,620 | \$ 539,618 | \$ 289,493 | \$ 89,409 | \$ 88,573 | \$ 87,692 | \$ 87,487 | \$ 62,588 |
| Maintenance Reserve | 101,800 | 26,800 | 26,800 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - |
| Excess Surplus | 212,786 | 32,669 | 92,174 | 139,565 | 396,937 | 216,124 | 139,913 | 191,079 | 127,248 | 80,823 |
| Excess Surplus Designated for | | | | | | | | | | |
| Subsequent Year's Expenditures | 83,047 | 92,174 | 139,565 | 396,937 | - | - | - | - | - | - |
| Assigned for: | | | | | | | | | | |
| Year-end Encumbrances | 3,835 | 253,050 | 163,972 | 84,293 | 5,249 | - | - | 24 | 33,518 | 87,152 |
| Subsequent Year's Budget | 283,372 | - | 107,372 | - | 249,861 | 275,256 | 196,821 | 165,000 | 155,823 | 265,679 |
| Unassigned | 135,717 | 181,602 | 131,944 | 140,151 | 142,469 | 149,373 | 128,931 | 127,833 | 191,022 | 192,888 |
| Total General Fund | \$ 886,293 | \$ 651,955 | \$ 702,447 | \$ 1,310,564 | \$ 1,094,009 | \$ 740,162 | \$ 564,238 | \$ 581,628 | \$ 605,098 | \$ 689,130 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted, Reported in: | | | | | | | | | | |
| Special Revenue Fund | \$ - | \$ - | \$ - | \$ - | \$ 18,723 | \$ - | \$ - | \$ - | \$ 1,604 | \$ (516) |
| Capital Projects Fund | 3,262,284 | (78,735) | - | - | - | - | - | - | - | - |
| Debt Service Fund | 5,733 | - | - | - | - | - | - | 18 | 18 | 18 |
| Total All Other Governmental Funds | \$ 3,268,017 | \$ (78,735) | \$ - | \$ - | \$ 18,723 | \$ - | \$ - | \$ 18 | \$ 1,622 | \$ (498) |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 3,472,249 | \$ 3,450,249 | \$ 3,382,597 | \$ 3,316,272 | \$ 3,251,247 | \$ 3,230,096 | \$ 3,161,544 | \$ 3,051,946 | \$ 2,946,803 | \$ 2,817,569 |
| Tuition Charges | 31,925 | - | - | - | - | 84 | 881 | - | 3,300 | 11,000 |
| Interest Earnings | 76 | 40 | 252 | 125 | 836 | 856 | 205 | 205 | 11,731 | 5,676 |
| Miscellaneous | 31,903 | 31,444 | 20,503 | 18,370 | 65,455 | 50,365 | 82,926 | 40,402 | 25,246 | 41,718 |
| State Sources | 2,143,558 | 1,713,696 | 1,596,326 | 1,613,504 | 1,553,566 | 1,470,509 | 1,340,066 | 1,624,065 | 1,773,883 | 1,760,081 |
| Federal Sources | 117,901 | 135,980 | 127,515 | 158,126 | 182,043 | 120,675 | 332,589 | 166,176 | 135,958 | 102,934 |
| Total Revenue | 5,797,612 | 5,331,409 | 5,127,193 | 5,106,397 | 5,052,395 | 4,872,481 | 4,918,006 | 4,882,794 | 4,896,921 | 4,738,978 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 2,522,903 | 2,504,017 | 1,618,553 | 1,504,738 | 1,329,375 | 1,281,391 | 1,315,671 | 1,332,191 | 1,248,517 | 1,206,919 |
| Special Education Instruction | 313,432 | 313,019 | 343,736 | 385,391 | 477,967 | 475,580 | 394,542 | 360,060 | 261,938 | 217,847 |
| Other Instruction | 146,232 | 139,606 | 173,235 | 172,918 | 164,925 | 146,136 | 148,415 | 202,061 | 307,877 | 295,666 |
| Support Services: | | | | | | | | | | |
| Tuition | 55,332 | 96 | 96,541 | 53,729 | 78,320 | 44,200 | 55,822 | 112,700 | 259,011 | 242,927 |
| Student & Instruction Related Services | 643,098 | 762,829 | 620,787 | 489,041 | 440,669 | 471,046 | 579,310 | 378,735 | 364,397 | 348,722 |
| General & Business Administration Services | 183,962 | 245,752 | 207,773 | 172,637 | 323,480 | 330,601 | 364,375 | 367,857 | 312,841 | 275,618 |
| School Administrative Services | 71,450 | 64,252 | 54,683 | 89,791 | 84,495 | 76,640 | 95,263 | 95,419 | 101,458 | 87,571 |
| Central Services | 115,386 | 144,495 | 137,429 | 138,809 | - | - | - | - | - | - |
| Plant Operations & Maintenance | 372,350 | 466,735 | 373,720 | 357,175 | 359,747 | 331,962 | 373,595 | 460,578 | 402,117 | 386,407 |
| Pupil Transportation | 186,573 | 179,824 | 213,925 | 224,878 | 231,208 | 271,823 | 274,608 | 271,768 | 296,583 | 272,274 |
| Other Support Services | 520,870 | 445,335 | 1,306,344 | 1,291,334 | 1,174,909 | 1,066,296 | 1,079,529 | 1,013,574 | 1,189,602 | 1,122,250 |
| Special Schools | - | - | - | 1,375 | 8,139 | 10,652 | 10,027 | 10,503 | 12,099 | 13,529 |
| Capital Outlay | 1,174,103 | 194,676 | 588,584 | 8,026 | 6,591 | 1,743 | 45,230 | 77,806 | - | 13,050 |
| Debt Service: | | | | | | | | | | |
| Principal | - | - | - | - | - | 179,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Interest & Other Charges | - | - | - | - | - | 9,487 | 19,027 | 28,567 | 38,107 | 47,647 |
| Total Expenditures | 6,305,691 | 5,460,636 | 5,735,310 | 4,889,842 | 4,679,825 | 4,696,557 | 4,935,414 | 4,891,819 | 4,974,547 | 4,710,427 |
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | (508,079) | (129,227) | (608,117) | 216,555 | 372,570 | 175,924 | (17,408) | (9,025) | (77,626) | 28,551 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Bond Proceeds | 4,104,169 | - | - | - | - | - | - | - | - | - |
| Prior Year Receivables Cancelled | - | - | - | - | - | - | - | - | - | (19,402) |
| Transfers In | - | - | - | - | - | - | - | - | - | 19,615 |
| Transfers Out | (15,000) | - | - | - | - | - | - | (16,049) | (4,286) | (34,330) |
| Total Other Financing Sources/(Uses) | 4,089,169 | - | - | - | - | - | (16,049) | (16,049) | (4,286) | (34,117) |
| Net Change in Fund Balances | \$ 3,581,090 | \$ (129,227) | \$ (608,117) | \$ 216,555 | \$ 372,570 | \$ 175,924 | \$ (17,408) | \$ (25,074) | \$ (81,912) | \$ (5,566) |
| Debt Service as a Percentage of Noncapital Expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.18% | 4.24% | 4.53% | 4.59% | 5.09% |

Source: District Records
 Note: Noncapital expenditures are total expenditures less capital outlay.

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

| FISCAL YEAR ENDING JUNE 30, | INTEREST ON INVESTMENTS | SUMMER TRANSPORTATION FEES | PRIOR YEAR REFUNDS | PRIOR YEAR | | ENERGY AUDIT | TUITION | MISCELLANEOUS | TOTAL |
|-----------------------------------|-------------------------------|----------------------------------|--------------------------|-----------------------|-----------|-----------------|---------|---------------|-----------|
| | | | | OUTSTANDING CHECKS | CANCELLED | | | | |
| 2016 | \$ 3,620 | \$ - | \$ 5,065 | \$ 2,668 | - | \$ - | \$ - | 14,817 | \$ 26,170 |
| 2015 | 1,075 | - | - | - | - | - | 28,402 | 1,967 | 31,444 |
| 2014 | 975 | - | 4,703 | - | - | - | - | 14,825 | 20,503 |
| 2013 | 1,425 | - | - | - | - | - | - | 16,945 | 18,370 |
| 2012 | 1,514 | - | 47,483 | 919 | - | - | - | 15,623 | 65,539 |
| 2011 | 8,821 | 5,574 | 32,231 | - | 3,033 | - | - | 1,542 | 51,201 |
| 2010 | 11,942 | 6,163 | 40,338 | 11,788 | 12,980 | - | - | 596 | 83,807 |
| 2009 | 7,522 | - | 30,088 | - | - | - | - | 2,997 | 40,607 |
| 2008 | 29,525 | - | 6,497 | - | - | - | 3,300 | 955 | 40,277 |
| 2007 | 44,319 | - | 2,750 | - | - | - | 11,000 | 325 | 58,394 |

Source: District records

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

| FISCAL YEAR ENDED JUNE 30, | VACANT LAND | RESIDENTIAL | FARM REG. | QFARM | COMMERCIAL | TOTAL ASSESSED VALUE | PUBLIC UTILITIES | NET VALUATION TAXABLE | TAX EXEMPT PROPERTY | TOTAL DIRECT SCHOOL RATIO b | ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE |
|----------------------------|-------------|-------------|------------|-----------|------------|----------------------|------------------|-----------------------|---------------------|-----------------------------|---|
| 2016 | 8,249,050 | 280,081,300 | 48,562,500 | 7,491,860 | 39,312,130 | 383,696,840 | 969,755 | 384,666,595 | 40,875,950 | 0.898 | 401,868,515 |
| 2015 | 8,960,950 | 280,027,800 | 48,404,200 | 8,247,250 | 39,626,130 | 385,266,330 | 1,042,493 | 386,308,823 | 40,390,550 | 0.899 | 391,454,551 |
| 2014 | 10,200,450 | 285,013,000 | 46,312,500 | 8,516,310 | 40,271,630 | 390,313,890 | 941,780 | 391,255,670 | 37,256,620 | 0.882 | 399,666,076 |
| 2013 | 9,148,800 | 319,406,300 | 58,130,350 | 8,141,325 | 44,744,730 | 439,571,505 | 1,059,877 | 440,631,382 | 34,260,110 | N/A | N/A |
| 2012 | 8,693,800 | 320,597,900 | 59,831,550 | 7,705,755 | 46,369,530 | 443,198,535 | 1,064,130 | 444,262,665 | 34,225,700 | 0.746 | N/A |
| 2011 | 8,829,800 | 321,062,500 | 59,498,670 | 7,845,835 | 47,213,330 | 444,450,135 | 1,058,600 | 445,508,735 | 34,025,700 | 0.729 | 459,515,714 |
| 2010 | 9,494,300 | 322,408,700 | 57,574,970 | 9,248,059 | 47,538,330 | 446,264,359 | 1,231,512 | 447,495,871 | 31,227,900 | 0.722 | 484,277,796 |
| 2009 | 7,384,000 | 322,920,700 | 55,634,310 | 9,881,839 | 48,041,580 | 443,862,429 | 1,189,150 | 445,051,579 | 30,819,610 | 0.711 | 505,358,815 |
| 2008 | 7,097,900 | 322,260,900 | 54,235,910 | 9,176,159 | 47,352,780 | 440,123,649 | 1,095,081 | 441,218,730 | 29,914,660 | 0.691 | 491,033,999 |
| 2007 | 7,222,300 | 321,869,699 | 52,533,150 | 6,777,679 | 45,265,980 | 433,668,808 | 1,038,693 | 434,707,501 | 29,612,810 | 0.678 | 481,778,051 |

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

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

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100
- N/A - Not Available

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

| FISCAL YEAR ENDED JUNE 30, | SCHOOL DISTRICT DIRECT RATE | | | OVERLAPPING RATES | | | TOTAL DIRECT AND OVERLAPPING TAX RATE |
|-------------------------------------|-----------------------------|--------------------|-----------------|-------------------|--------------------|----------------------|--|
| | LOCAL SCHOOL | REGIONAL SCHOOL | TOTAL DIRECT | TOWNSHIP | | | |
| | | | | OF SPRINGFIELD | REGIONAL SCHOOL | BURLINGTON COUNTY | |
| 2016 | 0.898 | N/A | 0.898 | 0.547 | 1.083 | 0.426 | 2.954 |
| 2015 | 0.899 | N/A | 0.899 | 0.532 | 1.000 | 0.415 | 2.846 |
| 2014 | 0.882 | N/A | 0.882 | 0.487 | 0.925 | 0.392 | 2.686 |
| 2013 | 0.769 | 0.778 | 1.547 | 0.416 | 0.778 | 0.353 | 3.094 |
| 2012 | 0.746 | 0.734 | 1.480 | 0.418 | 0.734 | 0.367 | 2.999 |
| 2011 | 0.729 | 0.728 | 1.457 | 0.398 | 0.728 | 0.391 | 2.974 |
| 2010 | 0.692 | 0.030 | 0.722 | 0.378 | 0.699 | 0.412 | 2.211 |
| 2009 | 0.681 | 0.030 | 0.711 | 0.379 | 0.687 | 0.432 | 2.209 |
| 2008 | 0.655 | 0.036 | 0.691 | 0.366 | 0.727 | 0.433 | 2.217 |
| 2007 | 0.642 | 0.036 | 0.678 | 0.352 | 0.782 | 0.468 | 2.280 |

Source: Burlington County Board of Taxation

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL PROPERTY TAX PAYERS,
 CURRENT YEAR AND NINE YEARS AGO**

| TAXPAYER | 2016 | | |
|-------------------------------|------------------------|------|--|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Columbus Farmers Market | | | |
| Helis Enterprise | | | |
| Transcontinental Pipeline | | | |
| NJ Land | | | |
| Milo Corporation | | | |
| Interstate Storage & Pipeline | | | |
| K&P Ganesh Corporation | | | |
| Store & Lock Self Storage | | | |
| Verizon | | | |
| Taxpayer #1 | | | |
| Total | | | |

INFORMATION NOT AVAILABLE

| TAXPAYER | 2007 | | |
|-------------------------------|------------------------|------|--|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Columbus Farmers Market | | | |
| Milo Corporation | | | |
| Helis Enterprise | | | |
| Transcontinental Pipeline | | | |
| K&P Ganesh Corporation | | | |
| Taxpayer #1 | | | |
| NJ Land | | | |
| Verizon | | | |
| Store & Lock Self Storage | | | |
| Interstate Storage & Pipeline | | | |
| Total | | | |

INFORMATION NOT AVAILABLE

Source: Municipal Tax Assessor

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED DECEMBER 31, | TAXES LEVIED FOR THE FISCAL YEAR | COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY | | COLLECTIONS IN SUBSEQUENT YEARS |
|---|---|---|-----------------------|--|
| | | AMOUNT | PERCENTAGE OF LEVY | |
| 2016 | \$ 3,472,249 | \$ 3,472,249 | 100.00% | - |
| 2015 | 3,450,249 | \$ 3,450,249 | 100.00% | - |
| 2014 | 3,382,597 | \$ 3,382,597 | 100.00% | - |
| 2013 | 3,316,272 | \$ 3,316,272 | 100.00% | - |
| 2012 | 3,251,247 | \$ 3,251,247 | 100.00% | - |
| 2011 | 3,230,096 | \$ 3,230,096 | 100.00% | - |
| 2010 | 3,161,544 | \$ 3,161,544 | 100.00% | - |
| 2009 | 3,051,946 | \$ 3,051,946 | 100.00% | - |
| 2008 | 2,946,803 | \$ 2,946,803 | 100.00% | - |
| 2007 | 2,817,569 | \$ 2,817,569 | 100.00% | - |

Source: Municipal Financial Statements

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

| FISCAL DECEMBER 31, ENDED JUNE 30, | GOVERNMENTAL ACTIVITIES | | | TOTAL DISTRICT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
|---|--------------------------------|-------------------|--|-------------------|--|------------|
| | GENERAL OBLIGATION BONDS | CAPITAL LEASES | | | | |
| 2016 | \$ 4,104,000 | N/A | | \$ 4,104,000 | N/A | N/A |
| 2015 | N/A | N/A | | N/A | N/A | N/A |
| 2014 | N/A | N/A | | N/A | N/A | N/A |
| 2013 | N/A | N/A | | N/A | N/A | N/A |
| 2012 | N/A | N/A | | N/A | N/A | N/A |
| 2011 | N/A | N/A | | N/A | N/A | N/A |
| 2010 | 179,000 | N/A | | 179,000 | 0.11% | 52 |
| 2009 | 359,000 | N/A | | 359,000 | 0.22% | 104 |
| 2008 | 539,000 | N/A | | 539,000 | 0.34% | 155 |
| 2007 | 719,000 | N/A | | 719,000 | 0.47% | 203 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
a. See Exhibit J-14 for personal income and population data.

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

| FISCAL YEAR ENDED JUNE 30, | GENERAL BONDED DEBT OUTSTANDING | | | NET GENERAL BONDED DEBT OUTSTANDING | PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY | PER CAPITA |
|-------------------------------------|---------------------------------|------------|--|---|--|------------|
| | GENERAL OBLIGATION BONDS | DEDUCTIONS | | | | |
| 2016 | \$ 4,104,000 | \$ - | | \$ 4,104,000 | 1.07% | N/A |
| 2015 | - | - | | - | 0.00% | N/A |
| 2014 | - | - | | - | 0.00% | N/A |
| 2013 | - | - | | - | 0.00% | N/A |
| 2012 | - | - | | - | 0.00% | N/A |
| 2011 | - | - | | - | 0.00% | N/A |
| 2010 | 179,000 | - | | 179,000 | 0.04% | 52 |
| 2009 | 359,000 | - | | 359,000 | 0.08% | 104 |
| 2008 | 539,000 | - | | 539,000 | 0.12% | 155 |
| 2007 | 719,000 | - | | 719,000 | 0.17% | 203 |

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE | SHARE OF OVERLAPPING DEBT |
|---|---------------------|---------------------------------------|---------------------------------|
| Debt Repaid With Property Taxes: | | | |
| Township of Springfield | \$ 8,140,000 | 100.000% | \$ 8,140,000 |
| Burlington County General Obligation Debt | 282,131,755 | 0.864% | 2,436,293 |
| Northern Burlington County Regional School District | 14,331,000 | 14.912% | 2,137,075 |
| Subtotal, Overlapping Debt | | | 12,713,368 |
| Springfield Township School District Direct Debt | | | 4,104,000 |
| Total Direct & Overlapping Debt | | | <u>\$ 16,817,368</u> |

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

| | FISCAL YEAR | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Debt Limit | \$ 11,934,326 | \$ 12,034,147 | \$ 12,359,315 | \$ 12,959,521 | \$ 11,360,525 | \$ 11,955,851 | \$ 12,143,133 | \$ 12,108,336 | \$ 13,738,148 | \$ 12,604,230 |
| Total Net Debt Applicable to Limit | 4,104,000 | 4,104,000 | - | - | - | - | 179,000 | 359,000 | 539,000 | 719,000 |
| Legal Debt Margin | \$ 7,830,326 | \$ 7,930,147 | \$ 12,359,315 | \$ 12,959,521 | \$ 11,360,525 | \$ 11,955,851 | \$ 11,964,133 | \$ 11,749,336 | \$ 13,199,148 | \$ 11,885,230 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 34.39% | 34.10% | 0.00% | 0.00% | 0.00% | 0.00% | 1.47% | 2.96% | 3.92% | 5.70% |

Legal Debt Margin Calculation for Fiscal Year 2016

| | |
|---|------------------------|
| Equalized Valuation Basis | |
| 2015 | \$ 401,110,182 |
| 2014 | 393,977,884 |
| 2013 | 398,344,556 |
| | <u>\$1,193,432,622</u> |
| Average Equalized Valuation of Taxable Property | <u>\$ 397,810,874</u> |
| Debt Limit (3 % of Average Equalization Value) | \$ 11,934,326 |
| Net Bonded School Debt | <u>4,104,000</u> |
| Legal Debt Margin | <u>\$ 7,830,326</u> |

Source:
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through L district; other % limits would be applicable for other districts.

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

| YEAR | POPULATION (a) | PERSONAL INCOME (b) | PER CAPITA PERSONAL INCOME (c) | UNEMPLOYMENT RATE (d) |
|------|----------------|---------------------|--------------------------------|-----------------------|
| 2015 | 3,355 | N/A | N/A | 5.1% |
| 2014 | 3,383 | 181,826,101 | 53,747 | 6.0% |
| 2013 | 3,393 | 175,706,505 | 51,785 | 6.1% |
| 2012 | 3,411 | 175,291,290 | 51,390 | 8.9% |
| 2011 | 3,413 | 170,496,415 | 49,955 | 8.5% |
| 2010 | 3,416 | 164,128,552 | 48,047 | 8.8% |
| 2009 | 3,454 | 164,579,646 | 47,649 | 8.3% |
| 2008 | 3,466 | 165,730,256 | 47,816 | 4.8% |
| 2007 | 3,487 | 161,057,556 | 46,188 | 3.5% |
| 2006 | 3,539 | 157,775,698 | 44,582 | 3.9% |

Source:

- (a) Population information provided by the NJ Department of Labor & Workforce Development
 - (b) Personal income calculated using population and per capita personal income
 - (c) Per Capita personal income provided by the NJ Department of Labor & Workforce Development
 - (d) Unemployment data provided by the NJ Department of Labor & Workforce Development
- N/A - Information not available.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| | 2016 | | PERCENTAGE OF TOTAL EMPLOYMENT |
|--------------------------------------|----------------------------------|------|--------------------------------|
| | EMPLOYEES | RANK | |
| Springfield Township School District | INFORMATION NOT AVAILABLE | | |

Total

| | 2007 | | PERCENTAGE OF TOTAL EMPLOYMENT |
|--------------------------------------|----------------------------------|------|--------------------------------|
| | EMPLOYEES | RANK | |
| Springfield Township School District | INFORMATION NOT AVAILABLE | | |

Springfield Township School District

INFORMATION NOT AVAILABLE

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS**

| FUNCTION/PROGRAM | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction: | | | | | | | | | | |
| Regular | 19.40 | 32.95 | 32.95 | 32.65 | 23.30 | 24.30 | 22.60 | 21.24 | 21.90 | 18.30 |
| Special Education | 12.94 | - | - | - | 5.00 | 8.30 | 5.00 | 5.67 | 7.10 | 7.10 |
| Other Special Education | 1.67 | - | - | - | 8.30 | 5.00 | 8.50 | 5.07 | 1.50 | 1.50 |
| Other Instruction | 0.33 | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Student & Instructional Related Services | 7.63 | 5.80 | 5.80 | 5.80 | 3.30 | 3.30 | 5.40 | 8.72 | 11.00 | 11.00 |
| School Administration Services | - | 2.40 | 2.40 | 1.90 | 2.40 | 3.40 | 2.30 | 2.30 | 2.30 | 2.30 |
| General & Business Administrative Services | 1.83 | 1.70 | 1.70 | 1.70 | 2.80 | 0.80 | 0.60 | 0.60 | 1.00 | 1.00 |
| Plant Operations & Maintenance | 4.99 | 4.10 | 4.10 | 4.10 | 4.50 | 4.50 | 4.50 | 4.50 | 5.30 | 5.80 |
| Pupil Transportation | 0.10 | 0.90 | 0.90 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Business & Other Support Services | - | - | - | - | 1.60 | 1.60 | 1.10 | 1.10 | 1.10 | 1.10 |
| Child Care | - | - | - | - | - | - | - | - | - | - |
| Total | 48.89 | 47.85 | 47.85 | 47.05 | 52.20 | 52.20 | 51.00 | 50.20 | 52.20 | 49.10 |

Source: District Records

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | ENROLLMENT | OPERATING EXPENDITURES | COST PER PUPIL | PERCENTAGE CHANGE | TEACHING STAFF | PUPIL / TEACHER RATIO | AVERAGE DAILY ENROLLMENT (ADE) | AVERAGE DAILY ATTENDANCE (ADA) | % CHANGE IN AVERAGE DAILY ENROLLMENT | STUDENT ATTENDANCE PERCENTAGE |
|----------------------------|------------|------------------------|----------------|-------------------|----------------|-----------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------------|
| 2016 | 227 | 5,036,055 | 22,185 | 3.36% | 33 | 1:7 | 223.8 | 215.4 | -8.50% | 96.25% |
| 2015 | 239 | 5,129,980 | 21,464 | 7.35% | 33 | 1:7 | 244.6 | 234.5 | 0.00% | 95.87% |
| 2014 | 251 | 5,018,671 | 19,995 | 11.99% | 33 | 1:7 | 244.6 | 235.8 | -6.75% | 96.40% |
| 2013 | 265 | 4,731,150 | 17,853 | 9.64% | 33 | 1:8 | 262.3 | 252.1 | -8.86% | 96.11% |
| 2012 | 287 | 4,673,234 | 16,283 | 4.79% | 32 | 1:9 | 287.8 | 278.3 | -0.55% | 96.70% |
| 2011 | 290 | 4,506,327 | 15,539 | -0.63% | 32 | 1:9 | 289.4 | 278.9 | -3.47% | 96.37% |
| 2010 | 300 | 4,691,157 | 15,637 | 4.92% | 32 | 1:9 | 299.8 | 287.8 | -2.85% | 96.00% |
| 2009 | 309 | 4,605,446 | 14,904 | -0.04% | 25 | 1:12 | 308.6 | 296.2 | 0.75% | 95.98% |
| 2008 | 319 | 4,756,440 | 14,910 | 7.42% | 28 | 1:11 | 306.3 | 295.7 | -1.26% | 96.54% |
| 2007 | 322 | 4,469,730 | 13,881 | 7.01% | 27 | 1:12 | 310.2 | 296.8 | -0.61% | 95.68% |

Source: District Records

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

| DISTRICT BUILDINGS | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Elementary Schools: | | | | | | | | | | |
| Springfield Township Elementary (1939): | | | | | | | | | | |
| Square Feet | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 | 43,320 |
| Capacity (Students) | 432 | 432 | 432 | 432 | 433 | 433 | 432 | 432 | 432 | 432 |
| Enrollment | 227 | 239 | 251 | 265 | 287 | 290 | 300 | 309 | 319 | 322 |
| Other Buildings: | | | | | | | | | | |
| Athletic Building (1979) | | | | | | | | | | |
| Square Feet | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 | 4,120 |
| Number of Schools at June 30, 2013: | | | | | | | | | | |
| Elementary = 1 | | | | | | | | | | |
| Other = 1 | | | | | | | | | | |

Source: School Year Attendance: Totals for STES in 2015-2016 (Enrollment)
Form M-1 (Building Square Footage)

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | TOTAL |
|----------------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|--------------|
| * Springfield School | \$ 162,610 | \$ 247,137 | \$ 163,647 | \$ 138,224 | \$ 141,774 | \$ 140,202 | \$ 96,349 | \$ 51,718 | \$ 72,624 | \$ 92,413 | \$ 1,306,698 |

Source: District records

**INSURANCE SCHEDULE
JUNE 30, 2016**

| | COVERAGE | RETENTION | DEDUCTIBLE |
|--|---------------|------------|------------|
| School Package Policy (1): | | | |
| Building & Contents (All Locations) - Limits of Liability per Occurrence | \$149,799,500 | \$ 200,000 | \$ 500 |
| Boiler & Machinery | 10,000,000 | - | 1,000 |
| General Automobile Liability | 9,750,000 | 150,000 | 500 |
| Workers' Compensation | Statutory | 250,000 | - |
| Crime Coverage | 249,500 | 200,000 | - |
| Educators Legal Liability | 9,750,000 | 100,000 | - |
| Pollution Legal Liability | 3,000,000 | - | 25,000 |
| Volunteer Accident & Health (2) | 1,000,000 | - | - |
| Surety Bonds (3) | | | |
| Treasurer | 155,000 | - | - |
| Board Secretary | 100,000 | - | - |

(1) Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)

(2) National Union Fire Insurance

(3) Selective Insurance Company

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

INDEPENDENT AUDITOR'S 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

Honorable President and Members
of the Board of Education
Springfield Township School District
County of Burlington
Jobstown, New Jersey 08041

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 and business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Springfield Township School District's basic financial statements, and have issued our report thereon dated February 20, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Springfield Township 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 Springfield Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Springfield Township 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance to be a material weakness as finding No. 2016-001.

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 identify a deficiency in internal control that we consider to be material weakness. However, additional material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springfield Township 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 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, and which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance as finding No.'s 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007 and 2016-008.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
February 20, 2017



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Springfield Township School District
County of Burlington
Jobstown, New Jersey 08041

Report on Compliance for Each Major State Program

We have audited Springfield Township School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. Springfield Township School District’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Springfield Township School District’s major 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; 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), the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and the New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Springfield Township 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 state program. However, our audit does not provide a legal determination of Springfield Township School District's compliance.

Opinion on Each Major State Program

In our opinion, Springfield Township 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 state programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial Compliance and Performance as finding No.'s 2016-002, 2016-003, 2016-004 and 2016-005. Our opinion on each major state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of Springfield Township 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 Springfield Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, 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 Springfield Township School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance, as finding No. 2016-004 to be a significant deficiency.

The School District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questions Costs. The School District's response

was not subjected to the auditing procedures applied in the audit of compliance and, according, we express no opinion on the response.

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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

John J. Maley, Jr.
Certified Public Accountant
Public School Accountant, No. 454

Bordentown, New Jersey
February 20, 2017

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SPRINGFIELD TOWNSHIP 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 | FEDERAL AWARD IDENTIFICATION NUMBER | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2015 | CASH RECEIVED | BUDGETARY EXPENDITURES | SUBRECIPIENT EXPENDITURES | (ACCOUNTS RECEIVABLE) 2016 | UNEARNED REVENUE 2016 |
|--|---------------------------|--|--|-----------------|-----------------|-----------------------------|------------------|---------------------------|------------------------------|----------------------------------|-----------------------------|
| U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | N/A | \$ 21,573 | 7/1/15-6/30/16 | - | 17,228 | (21,573) | - | (4,345) | - |
| National School Lunch Program | 10.555 | 15151NJ304N1099 | N/A | 22,278 | 7/1/14-6/30/15 | (1,963) | 1,963 | - | - | - | - |
| Subtotal | | | | | | (1,963) | 19,191 | (21,573) | - | (4,345) | - |
| School Breakfast Program | 10.553 | 16161NJ304N1099 | N/A | 8,027 | 7/1/15-6/30/16 | - | 6,254 | (8,027) | - | (1,773) | - |
| Total Child Nutrition Cluster | | | | | | (1,963) | 25,445 | (29,600) | - | (6,118) | - |
| Food Distribution Program | 10.565 | 16161NJ304N1099 | N/A | 10,886 | 7/1/15-6/30/16 | - | 10,886 | (9,333) | - | - | 1,553 |
| Total U.S. Department of Agriculture | | | | | | (1,963) | 36,331 | (38,933) | - | (6,118) | 1,553 |
| U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | |
| I.D.E.A. Part B | 84.027 | S027A150100 | IDEA061016 | 73,030 | 7/1/15-6/30/16 | - | 58,427 | (73,030) | - | (14,603) | - |
| I.D.E.A. Preschool Program | 84.173A | S173A150114 | IDEA061016 | 5,030 | 7/1/15-6/30/16 | - | 5,030 | (5,030) | - | - | - |
| Total Special Education Cluster | | | | | | - | 63,457 | (78,060) | - | (14,603) | - |
| Rural Education Achievement Program | 84.358A | S358A150030 | N/A | 25,180 | 7/1/15-6/30/16 | - | - | (25,180) | - | (25,180) | - |
| Rural Education Achievement Program | 84.358A | S358A140030 | N/A | 37,112 | 9/1/10-8/31/11 | (37,112) | - | - | - | (37,112) | - |
| Subtotal | | | | | | (37,112) | - | (25,180) | - | (62,292) | - |
| Title I | 84.010 | S010A150030 | NCLB061016 | 19,478 | 7/1/15-6/30/16 | - | - | (9,768) | - | (9,768) | - |
| Title II - Part A | 84.367 | S367A150029 | NCLB061016 | 4,893 | 7/1/15-6/30/16 | - | 4,893 | (4,893) | - | - | - |
| Total U.S. Department of Education | | | | | | (37,112) | 68,350 | (117,901) | - | (86,663) | - |
| Total Federal Financial Assistance | | | | | | \$ (39,075) | \$ 104,681 | \$ (156,834) | \$ - | \$ (92,781) | \$ 1,553 |

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| STATE GRANTOR/PROGRAM TITLE | GRANT OR STATE PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2015 | CASH RECEIVED | BUDGETARY EXPENDITURES | SUBRECIPIENT EXPENDITURES | ACCOUNTS RECEIVABLE 2016 | UNEARNED REVENUE 2016 | DUE TO GRANTOR 2016 | MEMO | |
|--|-------------------------------|--------------|----------------|-----------------------|---------------|------------------------|---------------------------|--------------------------|-----------------------|---------------------|----------------------|-------------------------------|
| | | | | | | | | | | | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| State Department of Education: | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| State Aid-Public Cluster: | | | | | | | | | | | | |
| Equalization Aid | 495-034-5120-078 | \$ 763,643 | 7/1/15-6/30/16 | \$ - | 763,643 | \$ (763,643) | \$ - | \$ - | \$ - | \$ - | \$ 73,338 | \$ 763,643 |
| Special Education Categorical Aid | 495-034-5120-089 | 159,516 | 7/1/15-6/30/16 | - | 159,516 | (159,516) | - | - | - | - | 15,320 | 159,516 |
| Categorical Security Aid | 495-034-5120-084 | 22,191 | 7/1/15-6/30/16 | - | 22,191 | (22,191) | - | - | - | - | 2,131 | 22,191 |
| Adjustment Aid | 495-034-5120-085 | 123,590 | 7/1/15-6/30/16 | - | 123,590 | (123,590) | - | - | - | - | 11,869 | 123,590 |
| Per Pupil Growth Aid | 495-034-5120-097 | 2,420 | 7/1/15-6/30/16 | - | 2,420 | (2,420) | - | - | - | - | 232 | 2,420 |
| PARCC Readiness | 495-034-5120-098 | 2,420 | 7/1/15-6/30/16 | - | 2,420 | (2,420) | - | - | - | - | 232 | 2,420 |
| Total State Aid-Public Cluster | | | | - | 1,073,780 | (1,073,780) | - | - | - | - | 103,122 | 1,073,780 |
| Nonpublic Transportation Aid | 100-034-5120-068 | 2,262 | 7/1/15-6/30/16 | - | - | (2,262) | - | (2,262) | - | - | - | 2,262 |
| Nonpublic Transportation Aid | 100-034-5120-068 | 2,436 | 7/1/14-6/30/15 | (2,436) | 2,436 | - | - | - | - | - | - | - |
| Subtotal | | | | (2,436) | 2,436 | (2,262) | - | (2,262) | - | - | - | 2,262 |
| Reimbursed TPAF Social Security Contribution (Non-Budgeted) | 495-034-5095-002 | 158,732 | 7/1/15-6/30/16 | - | 150,448 | (158,732) | - | (8,284) | - | - | - | 158,732 |
| Reimbursed TPAF Social Security Contribution (Non-Budgeted) | 495-034-5095-002 | 148,775 | 7/1/14-6/30/15 | (7,248) | 7,248 | - | - | (8,284) | - | - | - | - |
| Subtotal | | | | (7,248) | 157,696 | (158,732) | - | (8,284) | - | - | - | 158,732 |
| Categorical Transportation Aid | 495-034-5120-014 | 139,769 | 7/1/15-6/30/16 | - | 139,769 | (139,769) | - | - | - | - | 13,423 | 139,769 |
| Total Cash Assistance | | | | (9,684) | 1,373,681 | (1,374,543) | - | (10,546) | - | - | 116,545 | 1,374,543 |
| Noncash Assistance: | | | | | | | | | | | | |
| On-Behalf TPAF Pension Contribution (Non-Budgeted) | 495-034-5095-001 | 165,305 | 7/1/15-6/30/16 | - | 165,305 | (165,305) | - | - | - | - | - | 165,305 |
| On-Behalf TPAF Post-Retirement Medical (Non-Budgeted) | 495-034-5095-001 | 196,833 | 7/1/15-6/30/16 | - | 196,833 | (196,833) | - | - | - | - | - | 196,833 |
| Total Noncash Assistance | | | | - | 362,138 | (362,138) | - | - | - | - | - | 362,138 |
| Total General Fund | | | | (9,684) | 1,735,819 | (1,736,681) | - | (10,546) | - | - | 116,545 | 1,736,681 |
| Capital Projects Fund: | | | | | | | | | | | | |
| SDA Grant - Elementary School Improvements | 0510-050-14-1001 | 2,261,112 | 7/1/15-9/1/17 | (52,490) | - | (402,210) | - | (454,700) | - | - | - | 402,210 |
| Total Capital Projects Fund | | | | (52,490) | - | (402,210) | - | (454,700) | - | - | - | 402,210 |
| Enterprise Fund: | | | | | | | | | | | | |
| National School Lunch Program | 100-010-3360-067 | 788 | 7/1/15-6/30/16 | - | 642 | (788) | - | (146) | - | - | - | 788 |
| National School Lunch Program | 100-010-3360-067 | 917 | 7/1/14-6/30/15 | (102) | 102 | - | - | - | - | - | - | - |
| Total Enterprise Fund | | | | (102) | 744 | (788) | - | (146) | - | - | - | 788 |
| Total State Financial Assistance | | | | \$ (62,276) | \$ 1,736,563 | \$ (2,139,679) | \$ - | \$ (465,392) | \$ - | \$ - | \$ 116,545 | \$ 2,139,679 |
| Less: Grants Not Subject to Major Program Determination | | | | | | | | | | | | |
| On-Behalf TPAF Pension Contributions | 495-034-5095-001 | \$ 165,305 | 7/1/15-6/30/16 | | \$ - | \$ 165,305 | | | | | | |
| On-Behalf TPAF Post-Retirement Medical | 495-034-5095-001 | 196,833 | 7/1/15-6/30/16 | | | 196,833 | | | | | | |
| Total State Financial Assistance subject to Major Program Determination | | | | | | \$ (1,777,541) | | | | | | |

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal awards and state financial assistance programs of the Springfield Township School District. The School District is defined in Note 1 to the District's basic financial statements. All Federal and State awards received directly from State agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of the U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the Schedules of Expenditures of Federal Awards and State Financial Assistance, the Springfield Township School District did not provide any state awards to sub recipients.

Noncash assistance is reported in the Schedule of Expenditures of State Financial Assistance as the entitlement value, as determined by the State of New Jersey, of the On-Behalf payments made by the State for Pensions and Post-Retirement Medical Contributions during the year ended June 30, 2016.

Noncash assistance is reported in the Schedule of Expenditures of Federal Awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016.

The Springfield Township School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

Note 3. Relationship to Basic Financial Statements

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

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued):

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,667 for the general fund and \$-0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

| | State | Federal | Total |
|----------------------------|--------------|----------------|--------------|
| General Fund | \$ 1,741,348 | \$ - | \$ 1,741,348 |
| Special Revenue Fund | - | 117,901 | 117,901 |
| Capital Projects | 402,210 | - | 402,210 |
| Food Service Fund | 788 | 38,933 | 39,721 |
| | | | |
| Total Financial Assistance | \$ 2,144,346 | \$ 156,834 | \$ 2,301,180 |

Note 4. Relationship to 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.

Note 6. Federal and State Loans Outstanding

The Springfield Township School District had no loan balances outstanding at June 30, 2016.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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: | <u>Unmodified</u> |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | Yes |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| Noncompliance material to basic financial statements noted? | Yes |

Federal Awards – NOT APPLICABLE

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

Auditee qualified as low-risk auditee?

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

| CFDA Number(s) | FAIN Number(s) | Name of Federal Program or Cluster |
|-----------------------|-----------------------|---|
| | | Not Applicable |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results (continued):

State Awards

| | |
|---|-------------------|
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |
| Internal control over major programs: | |
| 1) Material weakness(es) identified? | No |
| 2) Significant deficiencies identified that are not considered To be material weaknesses? | Yes |
| Type of auditor’s report issued on compliance for major programs | <u>Unmodified</u> |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or New Jersey OMB Circular Letter 15-08? | Yes |

Identification of major programs:

| State Grant/Project Number(s) | Name of State Program |
|-------------------------------|--|
| | State Aid-Public Cluster: |
| 495-034-5120-068 | School Choice Aid |
| 495-034-5120-078 | Equalization Aid |
| 495-034-5120-084 | Security Aid |
| 495-034-5120-085 | Adjustment Aid |
| 495-034-5120-089 | Categorical Special Education Aid |
| 495-034-5120-097 | Per Pupil Aid |
| 495-034-5120-098 | PARCC Readiness Aid |
| | |
| 0510-050-14-1001 | SDA Grant – Elementary School Improvements |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

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

Finding No. 2016-001:

Criteria or Specific Requirement:

N.J.S.A. 18A:17-9 requires that accurate monthly reconciliations of all bank accounts are prepared prior to the completion of the Board Secretary's monthly report.

Condition:

The District bank reconciliations for various funds were not prepared in accordance with N.J.S.A. 18A:17-9 and were not prepared in a timely manner on a monthly basis due to lack of maintaining a general ledger.

Context:

Appropriate internal controls should be in place to ensure that the cash accounts are reconciled to the bank statements and general ledger of the Board Secretary.

Effect:

The District's financial records related to those accounts may not be accurate. The cumulative effect of these items was immaterial to the financial statements.

Cause:

Lack of oversight by district officials.

Recommendation:

That the District maintain its general ledger and accurately reconcile its bank accounts on a monthly basis in accordance with N.J.S.A. 18A:17-9.

View of Responsible Officials and Panned Corrective Action:

Responsible officials agree with this recommendation and will address the matter as part of their corrective action plan.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section III – Schedule of Federal Awards Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular Letter 15-08, as applicable.

Finding No. 2016-002:

Information on the State Program:

State Aid Public – Cluster:

| | |
|-----------------------------------|---------------------------|
| Equalization Aid | GMIS No. 495-034-5120-078 |
| Special Education Categorical Aid | GMIS No. 495-034-5120-089 |
| Security Aid | GMIS No. 495-034-5120-084 |
| Adjustment Aid | GMIS No. 495-034-5120-085 |
| Per Pupil Growth Aid | GMIS No. 495-034-5120-097 |
| PARCC Readiness Aid | GMIS No. 495-034-5120-098 |

Criteria or Specific Requirement:

N.J.S.A. 18A:17-10 requires districts to file by August 1st its Board Secretary’s annual report with the county superintendent’s office. N.J.S.A. 18A:17-36 requires that the financials be rendered to the Board monthly.

Condition:

The District did not file its Board Secretary report by their required due date in compliance with N.J.S.A. 18A:17-10 and did not render the Board Secretary Report to the Board on a monthly basis in compliance with N.J.S.A. 18A:17-36.

Questioned Costs:

None.

Context:

The District did not file its Board Secretary annual report with the County Superintendent’s office and monthly reports with the Board as required.

Effect:

The District did not comply with N.J.S.A. 18A:17-10 and N.J.S.A. 18A:17-36.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs (continued):

Cause:

Lack of oversight by District officials.

Recommendation:

That the District file, in compliance with N.J.S.A. 18A:17-10 and N.J.S.A. 18A:17-36, its Board Secretary reports with the County Superintendent’s office and Board of Education as required.

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2016-003:

Information on the State Program:

State Aid Public – Cluster:

| | |
|-----------------------------------|---------------------------|
| Equalization Aid | GMIS No. 495-034-5120-078 |
| Special Education Categorical Aid | GMIS No. 495-034-5120-089 |
| Security Aid | GMIS No. 495-034-5120-084 |
| Adjustment Aid | GMIS No. 495-034-5120-085 |
| Per Pupil Growth Aid | GMIS No. 495-034-5120-097 |
| PARCC Readiness Aid | GMIS No. 495-034-5120-098 |

Criteria or Specific Requirement:

N.J.S.A. 18A:22-8.1 requires districts to receive Commissioner approval for line-item transfers from any general fund appropriation account on a cumulative basis exceeding 10 percent of the amount of the account included in the budget certified for taxes. N.J.A.C. 6A:23A-13.3(g) requires districts to receive Commissioner approval for any transfer to an advertised appropriation account identified as administration that exceeds, on a cumulative basis, 10 percent of the amount of the account included in the district’s budget certified for taxes.

Condition:

The District did not receive approval for line item transfers in excess of 10 percent in compliance with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.3(g).

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs (continued):

Questioned Costs:

None.

Context:

The District did not receive required approval for certain appropriation transfers that exceeded, on a cumulative basis, 10 percent of the amount of the accounts included in the district’s budget certified for taxes.

Effect:

The District did not comply with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.3(g).

Cause:

Lack of oversight by District officials.

Recommendation:

That the District should receive the necessary approval, in compliance with N.J.S.A. 18A:22-8.1 and N.J.A.C. 6A:23A-13.3(g), for line-item transfers that exceed 10 percent on a cumulative basis.

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2016-004:

Information on the State Program:

State Aid Public – Cluster:

| | |
|-----------------------------------|---------------------------|
| Equalization Aid | GMIS No. 495-034-5120-078 |
| Special Education Categorical Aid | GMIS No. 495-034-5120-089 |
| Security Aid | GMIS No. 495-034-5120-084 |
| Adjustment Aid | GMIS No. 495-034-5120-085 |
| Per Pupil Growth Aid | GMIS No. 495-034-5120-097 |
| PARCC Readiness Aid | GMIS No. 495-034-5120-098 |

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs (continued):

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-16.10 requires that a board of education not incur any obligation or approve any payment in excess of the amount appropriated by the district board of education in the applicable line item account or program category account.

Condition:

The District had over-expended appropriation lines prior to approving line-item transfers.

Questioned Costs:

None.

Context:

The District did not approve appropriation transfers prior to the over-expenditure of any line item account.

Effect:

The District did not comply with N.J.A.C. 6A:23A-16.10.

Cause:

Lack of oversight by District officials.

Recommendation:

That the District receive the necessary approval for line-item transfers, in compliance N.J.A.C. 6A:23A-16.10, prior to the over-expenditure of any line item account.

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs (continued):

Finding No. 2016-005:

Information on the State Program:

State Aid Public – Cluster:

| | |
|-----------------------------------|---------------------------|
| Equalization Aid | GMIS No. 495-034-5120-078 |
| Special Education Categorical Aid | GMIS No. 495-034-5120-089 |
| Security Aid | GMIS No. 495-034-5120-084 |
| Adjustment Aid | GMIS No. 495-034-5120-085 |
| Per Pupil Growth Aid | GMIS No. 495-034-5120-097 |
| PARCC Readiness Aid | GMIS No. 495-034-5120-098 |

Criteria or Specific Requirement:

N.J.S.A. 18A:55-3 requires Districts to implement a number of efficiency standards including taking steps to maximize the district's participation in the federal Universal Service Program (E-Rate).

Condition:

The District could not provide evidence supporting participation in the federal Universal Service Program (E-Rate) in accordance with N.J.S.A. 18A:55-3.

Questioned Costs:

None.

Context:

The District could not provide evidence supporting submission of E-Rate reimbursements in accordance with N.J.S.A. 18A:55-3.

Effect:

The District did not comply with N.J.S.A. 18A:55-3.

Cause:

Lack of oversight by District officials.

Recommendation:

That the District submit E-Rate reimbursement claims in accordance with N.J.S.A. 18A:55-3.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section IV – State Financial Assistance Finding & Questioned Costs (continued):

View of Responsible Officials and Planned Corrective Action:

Responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511 (a)(b)) and New Jersey OMB's Circular 15-08, as applicable.

No Prior Year Findings