

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

Jobstown, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**JOBSTOWN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Prepared by**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT BUSINESS OFFICE**



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**INTRODUCTORY SECTION**

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# Springfield Township Elementary School

2146 Jacksonville Jobstown Road

Jobstown, NJ 08041

Telephone (609) 723-2479

Facsimile (609) 723-8213

CRAIG VAUGHN  
*Superintendent / Principal*

ASIA MICHAEL  
*Director of Curriculum*

CASEY DEJOSEPH  
*Business Administrator*

November 21, 2017

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Springfield Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Springfield Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, 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 district as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.



Find us on the web at [www.springfieldschool.org](http://www.springfieldschool.org) and follow us on Twitter @SpringfieldDist

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Springfield Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels K through 6. These include regular instruction as well as special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	239	5.29%
2015-2016	227	-5.02%
2014-2015	239	-4.78%
2013-2014	251	-5.28%
2012-2013	265	-7.67%
2011-2012	287	-1.03%
2010-2011	290	-3.33%
2009-2010	300	-2.91%
2008-2009	309	-3.13%
2007-2008	319	-0.93%

**ECONOMIC CONDITION AND OUTLOOK**

For the 2016-2017 school year, the Springfield Township School District prioritized its budgetary resources toward 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 continue lessening 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.

**MAJOR INITIATIVES**

Professional development for certificated staff continues to be a focus. Highlights regarding PD include the continued work with toward the implementation of the New Jersey Student Learning Standards for Science, in-district literacy and mathematics coaching, shared training opportunities with our regional

## **MAJOR INITIATIVES (continued)**

cohort of districts, weekly Professional Learning Community meetings focusing on a variety of topics (including assessment analysis, project-based learning, and teacher-Jed themes), and participation in the annual Northern Burlington Regional "Techshare" event.

Grant funding will offer our district opportunities to offset local monies for the 2017-2018 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 through the utilization of funds from NCLB Title 1. As our district is eligible for funding through the SRSA REAP grant, we are able to use funds otherwise not available to enhance professional development opportunities (for both faculty and administration) and secure materials for innovative programs such as our Creator Space and school gardens.

## **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 district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

## **ACCOUNTING SYSTEM AND REPORTS**

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

**FINANCIAL POLICIES**

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

**OTHER INFORMATION**

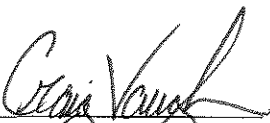
*INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

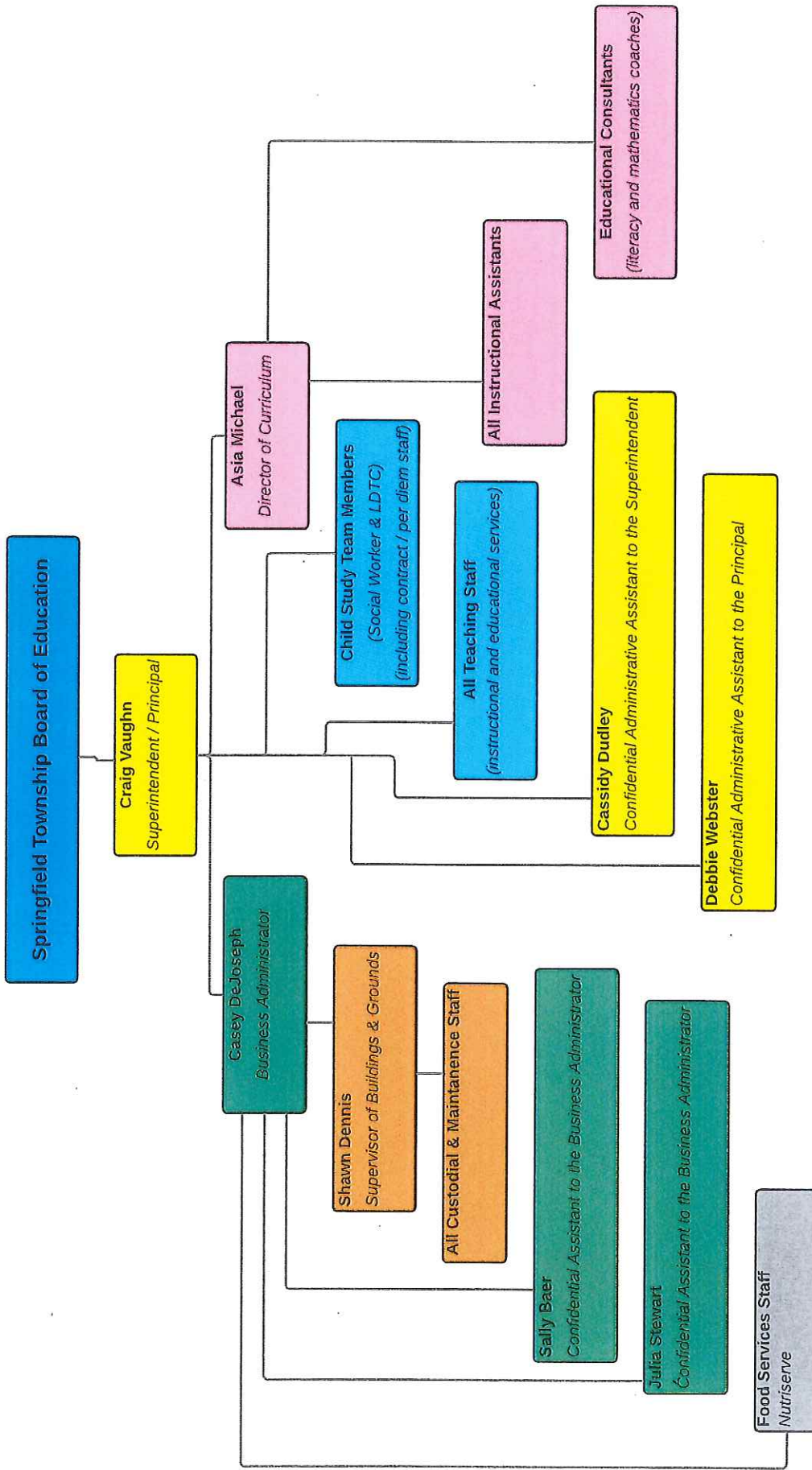
We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation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

Respectfully submitted,

  
\_\_\_\_\_  
Craig Vaughn,  
Superintendent

  
\_\_\_\_\_  
Casey DeJoseph,  
School Business Administrator/Board Secretary

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2017**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Joseph M. Bucs, President	2020
Wade Hale, Vice President	2018
Andrew Eaton	2019
Kristen Lippincott	2018
Greg Madia	2020
Michael Ramalho	2019
James Specca	2018
Gary Walker	2020
Jennifer Webb	2019

**OTHER OFFICIALS**

Craig Vaughn, Chief School Administrator

Bruce Benedetti, Interim Business Administrator/Board Secretary

Casey DeJoseph, Comptroller

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, Esq.  
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, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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, 2017, 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, statistical section and schedule of expenditures of federal awards 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 state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 related major fund supporting statements and schedules and schedules 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 November 21, 2017 on our consideration of the 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 the 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  
November 21, 2017

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited)**

As management of the Springfield Township School District, 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, 2017. 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.

**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) Government-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.

**Government-Wide Financial Statements**

The *government-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 government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources 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 timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-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 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 financial-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 government-wide financial statements. However, unlike the government-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 financial requirements in the near term.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

**Overview of the Basic Financial Statements (continued)**

**Fund Financial Statements (continued)**

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

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

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

*Proprietary funds* are used to present the same functions as the business-type activities presented in the government-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 government-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 government-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.

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School Districts net position for the fiscal years 2017 compared to fiscal year 2016.

**Table 1**  
**Summary of Net Position**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,317,354	\$ 4,167,315	\$ (2,849,961)	-68.4%
Capital Assets, Net	7,421,201	2,909,546	4,511,655	155.1%
Total Assets	<u>8,738,555</u>	<u>7,076,861</u>	<u>1,661,694</u>	23.5%
Deferred Outflow of Resources	<u>636,891</u>	<u>306,637</u>	<u>330,254</u>	107.7%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

**Table 1**  
**Summary of Net Position (continued)**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current and other Liabilities	121,876	138,376	(16,500)	-11.9%
Noncurrent Liabilities	6,049,337	5,604,272	445,065	7.9%
Total Liabilities	<u>6,171,213</u>	<u>5,742,648</u>	428,565	7.5%
Deferred Inflow of Resources	<u>52,377</u>	<u>89,650</u>	(37,273)	-41.6%
Net Position:				
Net Investment in Capital Assets	3,317,201	(1,194,454)	4,511,655	-377.7%
Restricted	1,157,276	4,012,860	(2,855,584)	-71.2%
Unrestricted (Deficit)	<u>(1,322,621)</u>	<u>(1,267,206)</u>	(55,415)	4.4%
Total Net Position	<u>\$ 3,151,856</u>	<u>\$ 1,551,200</u>	<u>\$ 1,600,656</u>	103.2%

Table 2 shows the changes in net position for fiscal year 2017 compared to fiscal year 2016.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$ 52,439	\$ 58,952	\$ (6,513)	-11.0%
Operating Grants & Contributions	1,325,398	1,127,120	198,278	17.6%
<b>General Revenues:</b>				
Property Taxes	3,451,384	3,472,249	(20,865)	-0.6%
Federal & State Aid	2,439,288	1,630,056	809,232	49.6%
Other General Revenues	<u>70,282</u>	<u>64,103</u>	6,179	9.6%
Total Revenues	<u>7,338,791</u>	<u>6,352,480</u>	986,311	15.5%
<b>Function/Program Expenditures:</b>				
Regular Instruction	1,466,239	1,634,593	(168,354)	-10.3%
Special Education Instruction	574,401	313,432	260,969	83.3%
Other Instruction	162,621	146,232	16,389	11.2%
Tuition	29,360	55,332	(25,972)	-46.9%
Student & Instruction Related Services	670,694	643,098	27,596	4.3%
General Administrative	200,400	185,337	15,063	8.1%
School Administrative Services	-	71,450	(71,450)	-100.0%
Central Services	122,642	115,386	7,256	6.3%
Plant Operations & Maintenance	377,560	379,718	(2,158)	-0.6%
Pupil Transportation	186,430	186,573	(143)	-0.1%
Unallocated Benefits	1,077,289	1,414,193	(336,904)	-23.8%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

**Table 2**  
**Summary of Changes in Net Position (continued)**

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Function/Program Expenditures (continued):</b>				
On Behalf TPAF Pension and Social Security Contributions	561,120	520,870	40,250	7.7%
Interest & Other Charges	147,587	128,667	18,920	14.7%
Unallocated Depreciation	76,082	76,081	1	0.0%
Food Service	85,710	114,738	(29,028)	-25.3%
Total Expenditures	<u>5,738,135</u>	<u>5,985,700</u>	<u>(247,565)</u>	-4.1%
Change In Net Position	1,600,656	366,780	1,233,876	336.4%
Net Position - Beginning	<u>1,551,200</u>	<u>1,184,420</u>	<u>366,780</u>	31.0%
Net Position - Ending	<u>\$ 3,151,856</u>	<u>\$ 1,551,200</u>	<u>\$ 1,600,656</u>	103.2%

**Governmental Activities**

During the fiscal year 2017, the net position of governmental activities increased by \$1,596,288 or 103.13%. The primary reason for the increase was the state aid revenue accrued for capital projects for the Elementary School Improvements project in the current year, which was \$1,435,452 higher than the previous year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,144,192, with an unrestricted deficit balance of \$1,330,285. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3**  
**GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (1,322,621)
Add back: PERS Pension Liability	1,819,463
Less: Deferred Outflows related to pensions	(636,891)
Add back: Deferred Inflows related to pensions	<u>52,377</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (87,672)</u>



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

**Business-type Activities**

During the fiscal year 2017, the net position of business-type activities increased by \$4,368 or 132.52%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$7,664.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$4,476,487, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$48,600.

Final budgeted appropriations was \$4,846,741, which was an increase of \$3,835 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$214,975.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$897,725 at June 30, 2017, a decrease of \$105,113 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$1,303,416, a decrease of \$2,850,894 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund decreased by \$106,208 or 11.98% to \$780,085 at June 30, 2017, compared to an increase of \$234,338 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The general fund tax levy decreased by \$231,411 in the current year, which led to the decrease in fund balance for the current year.

*Special revenue fund* – There was no change in the fund balance for the special revenue fund.

*Capital projects fund* - During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$2,746,240 or 84.18% to \$516,044 at June 30, 2017, compared to an increase of \$3,341,019 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- Percentage completion for the Elementary School Improvements project increased to 91.93% in the current year from a 20.37% completion percentage in the prior year.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$1,554 or 27.11% to \$7,287 at June 30, 2017, compared to an increase of \$5,733 in fund balance in the prior fiscal year.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund increased by \$4,368 or 132.52% to \$7,664 at June 30, 2017, compared to a decrease of \$1,035 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- The district negotiated a new contract with Nutri-Serve leading to a decrease in operating expense

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$7,421,201 (net of accumulated depreciation). Capital assets includes land, construction in progress, land improvements, buildings and improvements and equipment. The School Districts "Net Investment in Capital Assets" component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net increase in the School District's investment in capital assets for the current fiscal year in the amount of \$4,511,655. This increase is primarily due to the use of bond proceeds to fund the current capital projects in progress. Table 4 shows fiscal 2017 balances compared to 2016.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 90,889	\$ 90,889	\$ -	0.0%
Construction in Progress	5,880,487	1,296,585	4,583,902	353.5%
Land Improvements	36,424	40,527	(4,103)	-10.1%
Building and Improvements	1,296,075	1,353,468	(57,393)	-4.2%
Equipment	117,326	128,077	(10,751)	-8.4%
	<u>\$ 7,421,201</u>	<u>\$ 2,909,546</u>	<u>\$ 4,511,655</u>	155.1%

Depreciation expense for the year was \$76,082. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**(Unaudited) (Continued)**

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$4,104,000, which represents no change from the prior year. The first principal payment is due on July 15, 2017 in the amount of \$149,000.

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

**Factors on the School District's Future**

The following factors were considered and incorporated into the preparation of the School District's budget for the 2017-2018 fiscal year:

- In order to minimize expenditures, the District participates in multiple cost-sharing 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.

**Contacting the School Districts Financial Management**

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, 08041, telephone number: (609) 723-2382.

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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, 2017**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS <u>JUNE 30,</u> 2017
Cash & Cash Equivalents	\$ 541,785	\$ 7,061	\$ 548,846
Receivables, Net (Note 4)	591,690	4,990	596,680
Internal Balances	6,037	(6,037)	-
Inventory	-	3,924	3,924
Restricted Cash & Cash Equivalents	167,904	-	167,904
Capital Assets, Net (Note 5)			
Non-Depreciable	5,971,376	-	5,971,376
Depreciable, Net	1,449,825	-	1,449,825
<b>Total Assets</b>	<b>8,728,617</b>	<b>9,938</b>	<b>8,738,555</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions (Note 8)	636,891	-	636,891
<b>Total Deferred Outflows of Resources</b>	<b>636,891</b>	<b>-</b>	<b>636,891</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>9,365,508</b>	<b>9,938</b>	<b>9,375,446</b>
<b>LIABILITIES</b>			
Due to Other Governments	51,269	-	51,269
Unearned Revenue	4,000	2,274	6,274
Accrued Interest	64,333	-	64,333
Noncurrent Liabilities (Note 7):			
Due within one year	149,000	-	149,000
Due in more than one year	5,900,337	-	5,900,337
<b>Total Liabilities</b>	<b>6,168,939</b>	<b>2,274</b>	<b>6,171,213</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension (Note 8)	52,377	-	52,377
<b>Total Deferred Inflows of Resources</b>	<b>52,377</b>	<b>-</b>	<b>52,377</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,221,316</b>	<b>2,274</b>	<b>6,223,590</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,317,201	-	3,317,201
Restricted For:			
Capital Projects	582,000	-	582,000
Debt Service	7,287	-	7,287
Maintenance Reserve	101,948	-	101,948
Excess Surplus	466,041	-	466,041
Unrestricted (Deficit)	(1,330,285)	7,664	(1,322,621)
<b>Total Net Position</b>	<b>\$ 3,144,192</b>	<b>\$ 7,664</b>	<b>\$ 3,151,856</b>

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

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017	
Governmental Activities:							
Instruction:							
Regular	\$ 1,466,239	\$ -	\$ 81,084	\$ (1,385,155)	\$ -	\$ (1,385,155)	
Special Education	574,401	-	-	(574,401)	-	(574,401)	
Other Instruction	162,621	-	-	(162,621)	-	(162,621)	
Support Services:							
Tuition	29,360	-	-	(29,360)	-	(29,360)	
Student & Instruction Related Services	670,694	-	30,561	(640,133)	-	(640,133)	
General Administrative Services	200,400	-	-	(200,400)	-	(200,400)	
Central Services	122,642	-	-	(122,642)	-	(122,642)	
Plant Operations and Maintenance	377,560	-	-	(377,560)	-	(377,560)	
Pupil Transportation	186,430	-	-	(186,430)	-	(186,430)	
Unallocated Employee Benefits	1,077,289	-	615,022	(462,267)	-	(462,267)	
On-Behalf TPAF Pension and Social Security Contributions	561,120	-	561,120	-	-	-	
Interest & Other Changes in Long-Term Debt	147,587	-	-	(147,587)	-	(147,587)	
Unallocated Depreciation	76,082	-	-	(76,082)	-	(76,082)	
Total Governmental Activities	5,652,425	-	1,287,787	(4,364,638)	-	(4,364,638)	
Business-Type Activities:							
Food Service	85,710	52,439	37,611	-	4,340	4,340	
Total Business-Type Activities	85,710	52,439	37,611	-	4,340	4,340	
Total Primary Government	\$ 5,738,135	\$ 52,439	\$ 1,325,398	(4,364,638)	4,340	(4,360,298)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				3,451,384	-	3,451,384	
Federal & State Aid Unrestricted				2,439,288	-	2,439,288	
Investment Earnings				1,774	28	1,802	
Tuition from Individuals				60,472	-	60,472	
Miscellaneous Income				8,008	-	8,008	
Total General Revenues, Special Items, Extraordinary Items & Transfers				5,960,926	28	5,960,954	
Change In Net Position				1,596,288	4,368	1,600,656	
Net Position - Beginning				1,547,904	3,296	1,551,200	
Net Position - Ending				\$ 3,144,192	\$ 7,664	\$ 3,151,856	

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

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## B. Fund Financial Statements

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## Governmental Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2017**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
					JUNE 30, 2017
Cash & Cash Equivalents	\$ 584,237	\$ -	\$ 64,859	\$ -	\$ 649,096
Receivables, Net:					
Interfund Receivable	6,037	-	-	7,287	13,324
Due from Other Governments:					
Federal	-	111,311	-	-	111,311
State	8,902	-	458,472	-	467,374
Other Receivables	13,005	-	-	-	13,005
Restricted Cash & Cash Equivalents	167,904	-	-	-	167,904
<b>Total Assets</b>	<b>\$ 780,085</b>	<b>\$ 111,311</b>	<b>\$ 523,331</b>	<b>\$ 7,287</b>	<b>\$ 1,422,014</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Liabilities:					
Cash Deficit	\$ -	\$ 107,311	\$ -	\$ -	\$ 107,311
Interfund Payable	-	-	7,287	-	7,287
Unearned Revenue	-	4,000	-	-	4,000
<b>Total Liabilities</b>	<b>-</b>	<b>111,311</b>	<b>7,287</b>	<b>-</b>	<b>118,598</b>
Fund Balances:					
Restricted for:					
Capital Reserve	65,956	-	-	-	65,956
Maintenance Reserve	101,948	-	-	-	101,948
Excess Surplus - Current Year	253,255	-	-	-	253,255
Excess Surplus - Prior Year - Designated for Subsequent Year Expenditures	212,786	-	-	-	212,786
Capital Projects	-	-	516,044	-	516,044
Debt Service	-	-	-	7,287	7,287
Assigned to:					
Designated for Subsequent Year's Expenditures	2,262	-	-	-	2,262
Other Purposes	9,952	-	-	-	9,952
Unassigned	133,926	-	-	-	133,926
<b>Total Fund Balances</b>	<b>780,085</b>	<b>-</b>	<b>516,044</b>	<b>7,287</b>	<b>1,303,416</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 780,085</b>	<b>\$ 111,311</b>	<b>\$ 523,331</b>	<b>\$ 7,287</b>	
Amounts reported for <i>governmental activities</i> 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 \$9,403,467 and the accumulated depreciation is \$1,982,266.					7,421,201
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.					584,514
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					(51,269)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					(64,333)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					<u>(6,049,337)</u>
Net position of Governmental Activities					<u>\$ 3,144,192</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, 2017**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2017
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,240,838	\$ -	\$ -	\$ 210,546	\$ 3,451,384
Tuition from Individuals	60,472	-	-	-	60,472
Interest Earned	220	-	-	1,554	1,774
Other Local Revenues/Miscellaneous	8,008	-	-	-	8,008
<b>Total Local Sources</b>	<b>3,309,538</b>	<b>-</b>	<b>-</b>	<b>212,100</b>	<b>3,521,638</b>
State Sources	1,777,140	-	1,837,662	-	3,614,802
Federal Sources	-	112,273	-	-	112,273
<b>Total Revenues</b>	<b>5,086,678</b>	<b>112,273</b>	<b>1,837,662</b>	<b>212,100</b>	<b>7,248,713</b>
Expenditures:					
Current Expense:					
Regular Instruction	1,385,155	81,084	-	-	1,466,239
Special Education Instruction	574,401	-	-	-	574,401
Other Instruction	162,621	-	-	-	162,621
Support Services & Undistributed Costs:					
Tuition	29,360	-	-	-	29,360
Student & Instruction Related Services	640,133	30,561	-	-	670,694
General Administrative Services	200,400	-	-	-	200,400
Central Services	122,642	-	-	-	122,642
Plant Operations & Maintenance	377,560	-	-	-	377,560
Pupil Transportation	186,430	-	-	-	186,430
Unallocated Employee Benefits	947,854	628	-	-	948,482
On-Behalf TPAF Pension and Social Security Contributions	561,120	-	-	-	561,120
Capital Outlay	3,835	-	4,583,902	-	4,587,737
Debt Service:					
Interest & Other Charges	1,375	-	-	210,546	211,921
<b>Total Expenditures</b>	<b>5,192,886</b>	<b>112,273</b>	<b>4,583,902</b>	<b>210,546</b>	<b>10,099,607</b>
Net Change in Fund Balance	(106,208)	-	(2,746,240)	1,554	(2,850,894)
Fund Balances July 1	886,293	-	3,262,284	5,733	4,154,310
<b>Fund Balances June 30</b>	<b>\$ 780,085</b>	<b>\$ -</b>	<b>\$ 516,044</b>	<b>\$ 7,287</b>	<b>\$ 1,303,416</b>

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, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (2,850,894)

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. When capital outlays and other adjustments exceed depreciation, the difference is an addition in the reconciliation (+); when depreciation and other adjustments exceed capital outlays the difference is a reduction to the reconciliation (-)

Capital Outlays	\$ 4,587,737	
Depreciation Expense	<u>(76,082)</u>	4,511,655

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (131,988)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+) 64,334

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 3,181

Change in Net Position of Governmental Activities \$ 1,596,288

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## Proprietary Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

ASSETS	FOOD SERVICE
Current Assets:	
Cash	\$ 7,061
Accounts Receivable:	
State	48
Federal	1,997
Other	2,945
Inventories	<u>3,924</u>
Total Current Assets	<u>15,975</u>
Total Assets	<u>15,975</u>
LIABILITIES	
Current Liabilities:	
Interfunds Payable	6,037
Unearned Revenue	<u>2,274</u>
Total Liabilities	<u>8,311</u>
NET POSITION	
Unrestricted	<u>7,664</u>
Total Net Position	<u><u>\$ 7,664</u></u>

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, 2017**

	FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 35,029
Daily Sales - Nonreimbursable Programs	<u>17,410</u>
Total Operating Revenue	<u>52,439</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	25,406
Cost of Sales - Nonreimbursable Programs	8,474
Salaries and Fringe Benefits	38,377
Management Fee	8,585
Supplies and Materials	1,601
Miscellaneous Expenses	<u>3,267</u>
Total Operating Expenses	<u>85,710</u>
Operating Income/(Loss)	<u>(33,271)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	734
Federal Sources:	
National School Lunch Program	22,714
School Breakfast Program	6,529
Food Distribution Program	7,634
Local Sources:	
Interest Earned	<u>28</u>
Total Nonoperating Revenue/(Expenses)	<u>37,639</u>
Change in Net Position	4,368
Total Net Position - Beginning	<u>3,296</u>
Total Net Position - Ending	<u><u>\$ 7,664</u></u>

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, 2017**

	FOOD SERVICE
Cash Flows from Operating Activities:	
Receipts from Customers and Other Funds	\$ 54,658
Payments to Employees and for Employees Benefits	(38,377)
Payments to Suppliers	<u>(52,346)</u>
Net Cash Provided by (Used For) Operating Activities	<u>(36,065)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	832
Federal Sources	<u>41,719</u>
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>42,551</u>
Cash Flows from Investing Activities:	
Interest and Dividends	<u>28</u>
Net Cash Provided by (Used For) Investing Activities	<u>28</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	6,514
Balances - Beginning of Year	<u>547</u>
Balances - Ending of Year	<u><u>\$ 7,061</u></u>

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

Operating Income (Loss)	\$ (33,271)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Change in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable, Net	(2,945)
(Increase)/Decrease in Inventory	643
Increase/(Decrease) in Interfund Payable	5,164
Increase/(Decrease) in Accounts Payable	<u>(5,656)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (36,065)</u></u>

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, 2017**

ASSETS	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	AGENCY FUNDS	<u>TOTALS</u> JUNE 30, 2017
Cash & Cash Equivalents	\$ 43,594	\$ 29,886	\$ 73,480
Total Assets	<u>43,594</u>	<u>29,886</u>	<u>73,480</u>
LIABILITIES			
Payroll Deductions & Withholdings	-	6,450	6,450
Due to Employees	-	2,687	2,687
Due to Student Groups	-	20,749	20,749
Total Liabilities	<u>-</u>	<u>29,886</u>	<u>29,886</u>
NET POSITION			
Reserved	<u>43,594</u>	-	<u>43,594</u>
Total Net Position	<u>\$ 43,594</u>	<u>\$ -</u>	<u>\$ 43,594</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, 2017**

	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE</u>
<b>ADDITIONS</b>	
Local Sources:	
Employee Salary Deductions	\$ 5,078
Other Sources:	
Interest on Investments	<u>99</u>
Total Additions	<u>5,177</u>
<b>DEDUCTIONS</b>	
Unemployment Compensation	
Insurance Claims	<u>40</u>
Total Deductions	<u>40</u>
Change in Net Position	5,137
Net Position - Beginning of the Year	<u>38,457</u>
Net Position - End of the Year	<u><u>\$ 43,594</u></u>

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, 2017**

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# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

### Note 1. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The financial statements of the Springfield Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

#### **Reporting Entity**

The Springfield Township School District is a Type II School District located in the County of Burlington, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular instruction 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 School District has an approximate enrollment at June 30, 2017 of 239 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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 School District had no component units as of for the year ended June 30, 2017.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

#### **Basis of Accounting, Measurement Focus and Financial Statement Presentation**

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### **A. Government-Wide Financial Statements**

The School 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 School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the 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 School District are reported in three categories: 1) charges for services, 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 property taxes.

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.

#### **B. 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. The School 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 School 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 School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

fund liability is incurred. 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 asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the School 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.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

#### 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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

#### C. 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.

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 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.

The School District reports the following major proprietary funds:

**Food Service Fund** – The food service fund accounts for the financial transactions related to the food service operations of the School District.

#### D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and 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.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

The School District reports the following 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 School 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 School District. Expenditures consist of unemployment reimbursement claims.

**Agency Funds** - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

### 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 School 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 one or more June 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

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School 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 School 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.

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, Cash Equivalents and Investments**

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 considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). 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.

*N.J.S.A.17:9-41* et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

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

**Tuition Receivable/Payable**

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are 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.

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in 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 market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. 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. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 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 School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

### **Note 1. Summary of Significant Accounting Policies (continued)**

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

#### **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 School 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 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.

#### **Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

#### **Interfund Activity**

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

#### **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.



## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

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.

#### **Pensions**

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 of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

#### **Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- **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.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

- 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 School 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 School District's policy to consider amounts to have been spent first out of committed funds, then assigned 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 into 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 – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

##### Impact of Recently Issued Accounting Principles

###### Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

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. The adoption of this Statement had no impact on the School 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. The adoption of this Statement had no impact on the School 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*. The adoption of this Statement had no impact on the School 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. The adoption of this Statement had no impact on the School District's financial statements.

###### Recently Issued Accounting Pronouncements

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

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 School 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*,

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

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

*as amended.* This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School 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 have a material impact on the School District's financial statements.

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 School District's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

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

financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District’s financial statements.

**Note 2. Deposits and Investments**

**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 fund or other funds that 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, 2017, the School District’s bank balance of \$835,876 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	752,363
Uninsured and Uncollateralized		83,513
		<hr/>
	\$	835,876
		<hr/>

**Investments**

The School District had no investments at June 30, 2017.

**Note 3. Reserve Accounts**

**Capital Reserve**

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 3. Reserve Accounts (continued)**

Beginning Balance, July 1, 2016	\$ 65,736
Increased by:	
Interest Earnings	<u>220</u>
Ending Balance, June 30, 2017	<u>\$ 65,956</u>

**Maintenance Reserve**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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 balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 101,800
Increased by:	
Interest Earnings	<u>148</u>
Ending Balance, June 30, 2017	<u>\$ 101,948</u>

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Proprietary</u>	<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Funds</u> <u>Food Service Fund</u>	
Federal Awards	\$ -	\$ 111,311	\$ -	\$ 111,311	\$ 1,997	\$ 1,997
State Awards	8,902	-	458,472	467,374	48	48
Tuition	12,383	-	-	12,383	-	-
Other	622	-	-	622	2,945	2,945
<b>Total</b>	<u>\$ 21,907</u>	<u>\$ 111,311</u>	<u>\$ 458,472</u>	<u>\$ 591,690</u>	<u>\$ 4,990</u>	<u>\$ 4,990</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 90,889	\$ -	\$ -	\$ 90,889
Construction in Progress	1,296,585	4,583,902	-	5,880,487
Total Capital Assets not being depreciated	<u>1,387,474</u>	<u>4,583,902</u>	-	<u>5,971,376</u>
Capital Assets being depreciated:				
Land Improvements	182,339	-	-	182,339
Buildings and Improvements	2,812,737	-	-	2,812,737
Equipment	433,180	3,835	-	437,015
Total Capital Assets being depreciated	<u>3,428,256</u>	<u>3,835</u>	-	<u>3,432,091</u>
Less: Accumulated Depreciation:				
Land Improvements	(141,812)	(4,103)	-	(145,915)
Buildings and Improvements	(1,459,269)	(57,393)	-	(1,516,662)
Equipment	(305,103)	(14,586)	-	(319,689)
Total Accumulated Depreciation	<u>(1,906,184)</u>	<u>(76,082)</u>	-	<u>(1,982,266)</u>
Total Capital Assets being depreciated, net	<u>1,522,072</u>	<u>(72,247)</u>	-	<u>1,449,825</u>
Total Governmental Activities Capital Assets, net	<u>\$ 2,909,546</u>	<u>\$ 4,511,655</u>	<u>\$ -</u>	<u>\$ 7,421,201</u>
	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 43,200	\$ -	\$ -	\$ 43,200
	<u>43,200</u>	-	-	<u>43,200</u>
Less: Accumulated Depreciation:				
Equipment	(43,200)	-	-	(43,200)
	<u>(43,200)</u>	-	-	<u>(43,200)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 6,037	\$ -
Capital Projects Fund	-	7,287
Debt Service Fund	7,287	-
Food Service Fund	-	6,037
	<u>\$ 13,324</u>	<u>\$ 13,324</u>

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.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 41,474	\$ 5,164
Capital Projects Fund	1,554	-
Debt Service Fund	-	1,554
Food Service Fund	5,164	-
Payroll Fund	-	41,474
	<u>\$ 48,192</u>	<u>\$ 48,192</u>

The purposes of the interfund transfers were for the liquidation of prior year balances.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,104,000	\$ -	\$ -	\$ 4,104,000	\$ 149,000
Compensated Absences	129,055	-	3,181	125,874	-
Net Pension Liability	1,371,217	448,246	-	1,819,463	-
	<u>\$ 5,604,272</u>	<u>\$ 448,246</u>	<u>\$ 3,181</u>	<u>\$ 6,049,337</u>	<u>\$ 149,000</u>



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 7. Long-Term Obligations (continued)**

For governmental activities, the bonds payable are liquidated from the School District’s debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

**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.

On July 15, 2015, the School District issued \$4,104,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3% to 4% and mature on July 15, 2036.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 149,000	\$ 138,129	\$ 287,129
2019	155,000	133,569	288,569
2020	155,000	128,919	283,919
2021	160,000	124,193	284,193
2022	165,000	119,318	284,318
2023-2027	910,000	517,919	1,427,919
2028-2032	1,085,000	364,191	1,449,191
2033-2036	1,325,000	136,500	1,461,500
	<u>\$ 4,104,000</u>	<u>\$ 1,662,738</u>	<u>\$ 5,766,738</u>

**Bonds Authorized but not Issued**

As of June 30, 2017, the School District had no bonds authorized but not issued.

**Note 8. Pension Plans**

**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](http://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:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

<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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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 2016, 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.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2017, the School District reported a liability of \$1,819,463 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was 0.0061432775%, which was an increase of 0.0000348609% from its proportion measured as of June 30, 2015.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$186,561 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School 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>
Differences between Expected and Actual Experience	\$ 33,836	\$ -
Changes of Assumptions	376,895	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	69,378	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	105,513	52,377
School District contributions subsequent to measurement date	<u>51,269</u>	<u>-</u>
	<u>\$ 636,891</u>	<u>\$ 52,377</u>

\$51,269 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending <u>June 30,</u></b>	
2018	\$ 121,013
2019	121,015
2020	135,826
2021	117,417
2022	<u>37,974</u>
	<u>\$ 533,245</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School 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 or 1-percentage point higher than the current rate:

	<b>At 1% Decrease <u>(2.98%)</u></b>	<b>At Current Discount Rate <u>(3.98%)</u></b>	<b>At 1% Increase <u>(4.98%)</u></b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 2,229,539</u>	<u>\$ 1,819,463</u>	<u>\$ 1,480,909</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
 School District's portion	 0.00614%	 0.00611%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

**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/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

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 School District does 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.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$16,241,884. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0206465418%, which was a decrease of 0.0005530958% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the State of New Jersey recognized a pension expense in the amount of \$1,220,352 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2016 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**Discount Rate** - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 8. Pension Plans (continued)**

discount rate of 3.22% as well as what the State’s proportionate share of the net pension liability, attributable to the School District’s would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>At 1% Decrease <u>(2.22%)</u></b>	<b>At Current Discount Rate <u>(3.22%)</u></b>	<b>At 1% Increase <u>(4.22%)</u></b>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 19,396,439	\$ 16,241,884	\$ 13,665,783
	<u>\$ 19,396,439</u>	<u>\$ 16,241,884</u>	<u>\$ 13,665,783</u>

**Pension Plan Fiduciary Net Position** - 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.

**C. Defined Contribution Plan (DCRP)**

**Plan Description** - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees’ Retirement System (PERS) or Teachers’ Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

#### Note 8. Pension Plans (continued)

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

**Contributions** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$13,350, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$6,876.

#### Note 9. State Post-Retirement Medical 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

#### Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 10. On-Behalf Payments for Fringe Benefits and Salaries (continued)**

statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$223,208, \$185,983 and \$674, respectively.

**Note 11. Risk Management**

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ 5,078	\$ 99	\$ 40	\$ 43,594
2015-2016	1,302	60	96	38,457
2014-2015	2,594	35	71	37,191

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

**Joint Insurance Pool** – The School District also participates in the Burlington County Insurance Pool Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School 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 School 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, 2017 may be impaired. In the opinion of the School 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.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

#### Note 12. Contingencies (continued)

**Litigation** – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**Economic Dependency** – The School 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 School District's programs and activities.

#### Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning  
AXA Equitable

#### Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$125,874 and \$-0-, respectively.

#### Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 15. Tax Abatements (continued)**

district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**Note 16. Commitments**

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$9,952.

**Note 17. Operating Leases**

The School District has commitments to lease copier machines under operating leases for 4 years. Total lease payments made during the year ended June 30, 2017 amounted to \$11,293. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2018	\$ 13,923
2019	13,923
2020	13,923
2021	<u>13,924</u>
Total Minimum Lease Payments	<u>\$ 55,693</u>

**Note 18. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2017 was \$253,255.

**Note 19. Fund Balances**

**General Fund** – Of the \$780,085 General Fund fund balance at June 30, 2017, \$65,956 has been restricted for the Capital Reserve Account; \$101,948 has been restricted for the Maintenance Reserve Account; \$253,255 has been restricted for current year excess surplus; \$212,786 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$9,952 has been assigned to other purposes; \$2,262 has been assigned and included as anticipated revenue for the year ending June 30, 2018; and \$133,926 has been unassigned.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2017 (continued)**

**Note 19. Fund Balances (continued)**

**Capital Projects Fund** – Of the \$516,044 Capital Projects Fund fund balance at June 30, 2017, \$516,044 is restricted for future capital projects approved by the School District.

**Debt Service Fund** – Of the \$7,287 Debt Service Fund fund balance at June 30, 2017, \$7,287 is restricted for future debt service payments.

**Note 20. Deficit in Net Position**

**Unrestricted Net Position** – The School District governmental activities had a deficit in unrestricted net position in the amount of \$1,330,285 at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School 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, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 3,240,838	\$ -	\$ 3,240,838	\$ 3,240,838	\$ -
Tuition from Individuals	10-1310	20,000	-	20,000	60,472	40,472
Interest Earned on Capital Reserve Funds	10-1xxx	100	-	100	220	120
Other Local Revenue/Miscellaneous	10-1XXX	-	-	-	8,008	8,008
<b>Total Local Sources</b>		<b>3,260,938</b>	<b>-</b>	<b>3,260,938</b>	<b>3,309,538</b>	<b>48,600</b>
<b>State Sources:</b>						
Categorical Transportation Aid	10-3121	139,769	-	139,769	139,769	-
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	123,590	-	123,590	123,590	-
PARCC Readiness Aid	10-3181	2,420	-	2,420	2,420	-
Per Pupil Growth Aid	10-3182	2,420	-	2,420	2,420	-
Professional Community Learning Aid	10-3183	2,000	-	2,000	2,000	-
Nonpublic Transportation Aid	10-3xxx	-	-	-	1,566	1,566
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Normal Pension Contributions		-	-	-	223,208	223,208
Post-Retirement Medical Contributions		-	-	-	185,983	185,983
Long-Term Disability Insurance Contributions		-	-	-	674	674
Reimbursed TPAF Social Security Contributions		-	-	-	151,255	151,255
<b>Total State Sources</b>		<b>1,215,549</b>	<b>-</b>	<b>1,215,549</b>	<b>1,778,235</b>	<b>562,686</b>
<b>Total Revenues</b>		<b>4,476,487</b>	<b>-</b>	<b>4,476,487</b>	<b>5,087,773</b>	<b>611,286</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	27,950	355	28,305	28,240	65
Kindergarten	11-110-100-101	185,410	(452)	184,958	184,958	-
Grades 1 - 5	11-120-100-101	822,931	21,296	844,227	844,227	-
Grades 6 - 8	11-130-100-101	192,522	(15,744)	176,778	176,778	-
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	1,282	(556)	726	660	66
Purchased Professional - Educational Services	11-150-100-320	-	1,400	1,400	790	610
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	23,885	(1,000)	22,885	22,885	-
Purchased Professional - Educational Services	11-190-100-320	17,240	(162)	17,078	8,232	8,846
Purchased Technical Services	11-190-100-340	25,319	19,058	44,377	37,874	6,503
Other Purchased Services	11-190-100-500	-	695	695	695	-
General Supplies	11-190-100-610	88,748	(3,147)	85,601	79,816	5,785
Miscellaneous Expenditures	11-190-100-890	10,083	(4,833)	5,250	-	5,250
<b>Total Regular Programs - Instruction</b>		<b>1,395,370</b>	<b>16,910</b>	<b>1,412,280</b>	<b>1,385,155</b>	<b>27,125</b>
<b>Special Education:</b>						
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	75,824	30,779	106,603	106,182	421
Other Salaries for Instruction	11-212-100-106	42,853	(281)	42,572	42,568	4
<b>Total Multiple Disabilities</b>		<b>118,677</b>	<b>30,498</b>	<b>149,175</b>	<b>148,750</b>	<b>425</b>
<b>Resource Room/Resource Center</b>						
Salaries of Teachers	11-213-100-101	266,302	16,639	282,941	282,941	-
Other Salaries for Instruction	11-213-100-106	27,722	(1,658)	26,064	25,954	110
Purchased Professional - Educational Services	11-213-100-320	14,000	830	14,830	2,913	11,917
General Supplies	11-213-100-610	9,425	(781)	8,644	5,712	2,932
<b>Total Resource Room/Resource Center</b>		<b>317,449</b>	<b>15,030</b>	<b>332,479</b>	<b>317,520</b>	<b>14,959</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Pre-School Disabilities - Part-Time</b>						
Salaries of Teachers	11-215-100-101	29,334	701	30,035	30,035	-
Other Salaries for Instruction	11-215-100-106	58,865	(324)	58,541	58,343	198
Purchased Professional - Educational Services	11-215-100-320	-	19,269	19,269	18,764	505
General Supplies	11-215-100-610	405	(56)	349	349	-
<b>Total Pre-School Disabilities - Part-Time</b>		<b>88,604</b>	<b>19,590</b>	<b>108,194</b>	<b>107,491</b>	<b>703</b>
<b>Home Instruction:</b>						
Salaries of Teachers	11-219-100-101	1,250	(593)	657	640	17
<b>Total Home Instruction</b>		<b>1,250</b>	<b>(593)</b>	<b>657</b>	<b>640</b>	<b>17</b>
<b>Total Special Education</b>		<b>525,980</b>	<b>64,525</b>	<b>590,505</b>	<b>574,401</b>	<b>16,104</b>
<b>Other Instruction:</b>						
<b>Basic Skills/Remedial</b>						
Salaries of Teachers	11-230-100-101	165,707	(40,490)	125,217	125,217	-
General Supplies	11-230-100-610	420	7	427	427	-
<b>Total Basic Skills/Remedial</b>		<b>166,127</b>	<b>(40,483)</b>	<b>125,644</b>	<b>125,644</b>	<b>-</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	7,800	(3,346)	4,454	4,454	-
Other Purchased Services	11-401-100-500	-	3,467	3,467	2,042	1,425
General Supplies	11-401-100-610	360	(121)	239	-	239
<b>Total School Sponsored Cocurricular Activities</b>		<b>8,160</b>	<b>-</b>	<b>8,160</b>	<b>6,496</b>	<b>1,664</b>
<b>Other Instructional Programs - Instruction</b>						
Salaries	11-4XX-100-101	30,295	-	30,295	30,295	-
General Supplies	11-4XX-100-610	500	-	500	186	314
<b>Total Other Instructional Programs - Instruction</b>		<b>30,795</b>	<b>-</b>	<b>30,795</b>	<b>30,481</b>	<b>314</b>
<b>Total Instruction</b>		<b>2,126,432</b>	<b>40,952</b>	<b>2,167,384</b>	<b>2,122,177</b>	<b>45,207</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to CSSD & Regional Day Schools	11-000-100-565	67,728	(42,094)	25,634	25,634	-
Tuition to Private Schools for the Disabled - Within State	11-000-100-566	-	4,274	4,274	3,726	548
<b>Total Instruction</b>		<b>67,728</b>	<b>(37,820)</b>	<b>29,908</b>	<b>29,360</b>	<b>548</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	37,891	(6,677)	31,214	31,214	-
Other Purchased Services	11-000-211-500	6,658	833	7,491	7,491	-
<b>Total Attendance &amp; Social Work Services</b>		<b>44,549</b>	<b>(5,844)</b>	<b>38,705</b>	<b>38,705</b>	<b>-</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	62,060	6,974	69,034	69,034	-
Purchased Professional & Technical Services	11-000-213-300	2,000	1,213	3,213	2,265	948
Supplies and Materials	11-000-213-600	3,500	(1,220)	2,280	2,266	14
Other Objects	11-000-213-800	-	85	85	85	-
<b>Total Health Services</b>		<b>67,560</b>	<b>7,052</b>	<b>74,612</b>	<b>73,650</b>	<b>962</b>
<b>Speech, OT, PT &amp; Related Services:</b>						
Salaries	11-000-216-100	59,292	(12,367)	46,925	29,080	17,845
Purchased Professional/Technical Services	11-000-216-320	36,464	23,498	59,962	53,611	6,351
<b>Total Speech, OT, PT &amp; Related Services</b>		<b>95,756</b>	<b>11,131</b>	<b>106,887</b>	<b>82,691</b>	<b>24,196</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Child Study Teams:</b>						
Salaries	11-000-219-100	-	80,640	80,640	80,640	-
Salaries of Other Professional Staff	11-000-219-104	87,900	(80,712)	7,188	7,188	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	40,273	(5,114)	35,159	35,159	-
Other Salaries	11-000-219-110	-	480	480	480	-
Purchased Professional & Technical Services	11-000-219-390	61,950	6,387	68,337	67,144	1,193
Miscellaneous Purchased Services	11-000-219-592	1,000	154	1,154	324	830
Supplies & Materials	11-000-219-600	2,360	(732)	1,628	628	1,000
<b>Total Child Study Team</b>		<b>193,483</b>	<b>1,103</b>	<b>194,586</b>	<b>191,563</b>	<b>3,023</b>
<b>Improvement of Instruction:</b>						
Salary of Supervisor of Instruction	11-000-221-102	89,727	(3,291)	86,436	86,436	-
Salaries of Secretaries & Clerical Assistants	11-000-221-105	7,759	45	7,804	7,804	-
Other Salaries	11-000-221-110	5,600	260	5,860	4,880	980
Other Purchased Services	11-000-221-500	5,565	(2,065)	3,500	-	3,500
Supplies and Materials	11-000-221-600	9,209	(630)	8,579	6,579	2,000
Other Objects	11-000-221-800	1,964	(1,069)	895	895	-
<b>Total Improvement of Instruction</b>		<b>119,824</b>	<b>(6,750)</b>	<b>113,074</b>	<b>106,594</b>	<b>6,480</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	78,057	1,008	79,065	79,065	-
Purchased Professional & Technical Services	11-000-222-300	74,125	(2,752)	71,373	54,294	17,079
Supplies and Materials	11-000-222-600	6,307	(2,596)	3,711	3,085	626
Other Objects	11-000-222-800	2,598	(1,574)	1,024	1,016	8
<b>Total Educational Media Services/School Library</b>		<b>161,087</b>	<b>(5,914)</b>	<b>155,173</b>	<b>137,460</b>	<b>17,713</b>
<b>Instructional Staff Training:</b>						
Salaries	11-000-223-100	-	1,387	1,387	870	517
Purchased Professional - Educational Services	11-000-233-320	5,320	(4,400)	920	600	320
Purchased Professional - Technical Services	11-000-223-340	1,800	7,594	9,394	4,405	4,989
Other Purchased Services	11-000-223-500	11,500	(9,900)	1,600	1,600	-
Supplies and Materials	11-000-223-610	2,845	(850)	1,995	1,995	-
<b>Total Instructional Staff Training</b>		<b>21,465</b>	<b>(6,169)</b>	<b>15,296</b>	<b>9,470</b>	<b>5,826</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	144,978	5,126	150,104	147,177	2,927
Legal Services	11-000-230-331	14,603	(9,006)	5,597	5,597	-
Audit Fees	11-000-230-332	17,400	5,830	23,230	23,230	-
Other Purchased Professional Services	11-000-230-339	2,000	(2,000)	-	-	-
Purchased Technical Services	11-000-230-340	5,000	2,230	7,230	6,569	661
Communications/Telephone	11-000-230-530	6,700	(326)	6,374	5,920	454
BOE Other Pruchased Services	11-000-230-585	2,430	(951)	1,479	1,479	-
Misc Purchase Svc	11-000-230-590	1,475	487	1,962	1,962	-
Supplies and Materials	11-000-230-610	165	(67)	98	98	-
Miscellaneous Expenditures	11-000-230-890	500	4,748	5,248	5,248	-
BOE Membership Dues & Fees	11-000-230-895	3,250	(130)	3,120	3,120	-
<b>Total Support Services General Administration</b>		<b>198,501</b>	<b>5,941</b>	<b>204,442</b>	<b>200,400</b>	<b>4,042</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principal	11-000-240-103	26,015	(26,015)	-	-	-
<b>Total Support Services School Administration</b>		<b>26,015</b>	<b>(26,015)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Support Services Central Services:</b>						
Salaries	11-000-251-100	108,787	(2,398)	106,389	104,411	1,978
Purchased Professional Services	11-000-251-330	9,360	2,519	11,879	11,879	-
Miscellaneous Purchase Services	11-000-251-590	500	(255)	245	245	-
Supplies and Materials	11-000-251-600	3,000	(2,355)	645	645	-
Miscellaneous Expenditures	11-000-251-890	1,089	4,373	5,462	5,462	-
<b>Total Support Services Central Services</b>		<b>122,736</b>	<b>1,884</b>	<b>124,620</b>	<b>122,642</b>	<b>1,978</b>
<b>Required Maintenance for School Facilities</b>						
Salaries	11-000-261-100	121,055	(389)	120,666	120,055	611
Cleaning, Repair & Maintenance Services	11-000-261-420	36,800	2,703	39,503	25,786	13,717
General Supplies	11-000-261-610	12,500	(6,172)	6,328	2,428	3,900
Other Objects	11-000-261-800	6,100	(569)	5,531	1,731	3,800
Miscellaneous Expenditures	11-000-261-890	-	3,750	3,750	-	3,750
<b>Total Required Maintenance for School Facilities</b>		<b>176,455</b>	<b>(677)</b>	<b>175,778</b>	<b>150,000</b>	<b>25,778</b>
<b>Custodial Services:</b>						
Salaries	11-000-262-100	91,534	24,145	115,679	115,679	-
Sal Non-Instruct Aides	11-000-262-107	13,489	1,853	15,342	15,342	-
Insurance	11-000-262-520	12,094	1	12,095	12,095	-
General Supplies	11-000-262-610	18,500	(3,782)	14,718	14,718	-
Energy (Natural Gas)	11-000-262-621	41,151	(1,652)	39,499	19,617	19,882
Energy (Electricity)	11-000-262-622	60,364	(3,862)	56,502	40,404	16,098
Other Objects	11-000-262-800	400	(400)	-	-	-
<b>Total Custodial Services</b>		<b>237,532</b>	<b>16,303</b>	<b>253,835</b>	<b>217,855</b>	<b>35,980</b>
<b>Care and Upkeep of Grounds:</b>						
Cleaning, Repair, & Maint. Services	11-000-263-420	-	4,930	4,930	4,930	-
<b>Total Care and Upkeep of Grounds</b>		<b>-</b>	<b>4,930</b>	<b>4,930</b>	<b>4,930</b>	<b>-</b>
<b>Security</b>						
Salaries	11-000-266-100	4,125	-	4,125	4,125	-
Purchased Professional & Technical Services	11-000-266-340	650	-	650	650	-
<b>Total Security</b>		<b>4,775</b>	<b>-</b>	<b>4,775</b>	<b>4,775</b>	<b>-</b>
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>418,762</b>	<b>20,556</b>	<b>439,318</b>	<b>377,560</b>	<b>61,758</b>
<b>Student Transportation Services:</b>						
Salaries of Non-instructional Aides	11-000-270-107	-	6,448	6,448	6,448	-
Salaries - (Between Home & School) - Regular	11-000-270-160	6,960	(3,643)	3,317	2,335	982
Cleaning, Repair & Maintenance Services	11-000-270-420	2,000	(694)	1,306	849	457
Aid in Lieu of Payments	11-000-270-503	13,000	(385)	12,615	8,195	4,420
Contracted Services -Between Home & School- Vendors	11-000-270-512	-	4,720	4,720	4,720	-
Contracted Services -Between Home & School- Joint Agreements	11-000-270-513	137,500	(3,516)	133,984	129,836	4,148
Contracted Services -Special Education- Joint Agreements	11-000-270-515	39,680	(9,190)	30,490	30,240	250
Miscellaneous Purchased Services - Transportation	11-000-270-593	2,565	-	2,565	2,565	-
General Supplies	11-000-270-610	800	(800)	-	-	-
Transport Gas Sup	11-000-270-615	7,500	(3,050)	4,450	1,135	3,315
Miscellaneous Expenditures	11-000-270-800	200	(93)	107	107	-
<b>Total Student Transportation Services</b>		<b>210,205</b>	<b>(10,203)</b>	<b>200,002</b>	<b>186,430</b>	<b>13,572</b>



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits - Employee Benefits						
Group Insurance	11-100-291-210	903	2,856	3,759	3,578	181
Social Security Contributions	11-100-291-220	65,000	4,045	69,045	68,229	816
Other Retirement Contributions - PERS	11-100-291-241	53,621	8,670	62,291	61,452	839
Other Retirement Contributions - Regular	11-100-291-249	4,180	(4,180)	-	-	-
Workmen's Compensation	11-100-291-260	17,294	-	17,294	17,294	-
Health Benefits	11-100-291-270	735,006	30,855	765,861	754,471	11,390
Tuition Reimbursement	11-100-291-280	15,000	(4,999)	10,001	10,000	1
Other Employee Benefits	11-100-291-290	76,424	(27,151)	49,273	32,830	16,443
Total Unallocated Benefits - Employee Benefits		967,428	10,096	977,524	947,854	29,670
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	223,208	(223,208)
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	185,983	(185,983)
On-Behalf TPAF Long-Term Disability Insurance Contributions		-	-	-	674	(674)
Reimbursed TPAF Social Security Contributions		-	-	-	151,255	(151,255)
Total Undistributed Expenditures		2,715,099	(40,952)	2,674,147	3,065,499	(391,352)
Total Expenditures - Current Expense		4,841,531	-	4,841,531	5,187,676	(346,145)
Capital Outlay:						
Equipment:						
Café Non-Instructional Equipment	12-000-261-732	-	3,835	3,835	3,835	-
Total Equipment		-	3,835	3,835	3,835	-
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		1,375	3,835	5,210	5,210	-
Total Expenditures		4,842,906	3,835	4,846,741	5,192,886	(346,145)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(366,419)	(3,835)	(370,254)	(105,113)	265,141
Fund Balances, July 1		1,002,838	-	1,002,838	1,002,838	-
Fund Balances, June 30		\$ 636,419	\$ (3,835)	\$ 632,584	\$ 897,725	\$ 265,141

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Reserve for Encumbrances	\$ 3,835
Total Budget Transfers	<u>\$ 3,835</u>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 65,956
Maintenance Reserve	101,948
Excess Surplus	253,255
Excess Surplus Designated for Subsequent Year's Expenditures	212,786
Assigned Fund Balance:	
Year-end Encumbrances	9,952
Designated for Subsequent Year's Expenditures	2,262
Unassigned Fund Balance	<u>251,566</u>
Subtotal	<u>897,725</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payment Not Recognized on GAAP Basis	<u>(117,640)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 780,085</u>

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017			VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>REVENUES</b>				
Federal Sources	\$ 91,102	\$ 25,185	\$ 116,287	\$ (4,014)
Total Revenues	91,102	25,185	116,287	(4,014)
<b>EXPENDITURES:</b>				
Instruction:				
Salaries	-	12,124	12,124	-
Purchased Professional/Educational Services	4,375	(4,375)	-	-
Tuition	62,076	5,021	67,097	-
General Supplies	4,276	(2,355)	1,921	58
Total Instruction	70,727	10,415	81,142	58
Support Services:				
Employee Benefits	-	628	628	-
Purchased Professional/Technical Services	20,375	142	20,517	3,956
Other Purchased Services	-	14,000	14,000	-
Total Support Services	20,375	14,770	35,145	3,956
Total Expenditures	91,102	25,185	116,287	4,014
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -

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**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, 2017**

**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)	\$ 5,087,773	\$ 112,273
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	116,545	-
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)	(117,640)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 5,086,678</u>	<u>\$ 112,273</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,192,886	\$ 112,273
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>\$ 5,192,886</u>	<u>\$ 112,273</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 SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST FOUR FISCAL YEARS\***

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0061432775%	0.0061084166%	0.0053109857%	0.0058240464%
School District's proportionate share of the net pension liability	\$ 1,819,463	\$ 1,371,217	\$ 994,362	\$ 1,113,091
School District's covered payroll	\$ 385,814	\$ 413,022	\$ 421,694	\$ 383,314
School District's proportionate share of the net pension liability as a percentage of its covered payroll	471.59%	332.00%	235.80%	290.39%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST FOUR FISCAL YEARS**

	2017	2016	2015	2014
School District's contractually required contribution	\$ 51,269	\$ 54,576	\$ 52,516	\$ 43,783
Contributions in relation to the contractually required contribution	(51,269)	(54,576)	(52,516)	(43,783)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 414,717	\$ 385,814	\$ 413,022	\$ 421,694
Contributions as a percentage of covered payroll	12.36%	14.15%	12.72%	10.38%

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 (TPAF)  
LAST FOUR FISCAL YEARS\***

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	16,241,884	13,399,076	11,452,856	8,967,397
	<u>\$ 16,241,884</u>	<u>\$ 13,399,076</u>	<u>\$ 11,452,856</u>	<u>\$ 8,967,397</u>
School District's covered payroll	\$ 2,016,217	\$ 2,124,683	\$ 2,102,662	\$ 2,064,559
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June 30, 2016.

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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, 2017**

	TITLE I	TITLE IIA	REAP	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	TOTALS
Revenues:						
Federal Sources	\$ 28,615	\$ 4,576	\$ 1,173	\$ 5,021	\$ 72,888	\$ 112,273
Total Revenues	\$ 28,615	\$ 4,576	\$ 1,173	\$ 5,021	\$ 72,888	\$ 112,273
Expenditures:						
Instruction:						
Salaries	\$ 12,124	\$ -	\$ -	\$ -	\$ -	\$ 12,124
Tuition	-	-	-	5,021	62,076	67,097
General Supplies	1,863	-	-	-	-	1,863
Total Instruction	13,987	-	-	5,021	62,076	81,084
Support Services:						
Employee Benefits	628	-	-	-	-	628
Purchased Professional - Technical Services	-	4,576	1,173	-	10,812	16,561
Other Purchased Services	14,000	-	-	-	-	14,000
Total Support Services	14,628	4,576	1,173	-	10,812	31,189
Total Expenditures	\$ 28,615	\$ 4,576	\$ 1,173	\$ 5,021	\$ 72,888	\$ 112,273

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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, 2017**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2017
			PRIOR YEARS	CURRENT YEAR	
Springfield Elementary School Improvements	02/26/2014	\$ 6,396,531	\$ 1,296,585	\$ 4,583,902	\$ 516,044
			<u>Total \$ 1,296,585</u>	<u>\$ 4,583,902</u>	<u>\$ 516,044</u>
Reconciliation - Unexpended Capital Project					
<u>Balances to Fund Balance - June 30, 2017:</u>					
				Unexpended Project Balances June 30, 2017	\$ 516,044
				Less:	
				Unexpended State Aid - ROD Grants	-
				<b>Total Fund Balance (GAAP Basis) - June 30, 2017</b>	<u>\$ 516,044</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues:	
State Sources - SDA Grant	\$ 31,250
	<hr/>
Total Revenues	31,250
	<hr/>
Expenditures:	
Purchased Professional & Technical Services	223,696
Construction Services	4,343,946
Other	16,260
	<hr/>
Total Expenditures	4,583,902
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(4,552,652)
Fund Balance - Beginning	5,068,696
	<hr/>
Fund Balance - Ending	\$ 516,044
	<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, 2017**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 2,261,112	\$ 31,250	\$ 2,292,362	\$ 2,292,362
Other Financing Sources	4,104,169	-	4,104,169	4,104,169
<b>Total Revenues</b>	<b>6,365,281</b>	<b>31,250</b>	<b>6,396,531</b>	<b>6,396,531</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	378,574	223,696	602,270	696,375
Construction Services	884,916	4,343,946	5,228,862	5,650,801
Other	33,095	16,260	49,355	49,355
<b>Total Expenditures</b>	<b>1,296,585</b>	<b>4,583,902</b>	<b>5,880,487</b>	<b>6,396,531</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 5,599,681	\$ (4,552,652)	\$ 516,044	\$ -

## 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	\$ 665,625
Revised Authorized Cost	\$ 6,396,531
Percentage Increase Over Original Authorized Cost	11.61%
Percentage Completion	91.93%
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

(See Exhibits B-4, B-5, B-6)

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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  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		2017
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Assets:					
Cash & Cash Equivalents	\$ 43,594	\$ 20,749	\$ 9,137	\$	73,480
Total Assets	43,594	20,749	9,137		73,480
LIABILITIES					
Liabilities:					
Due to Employees	-	-	2,687		2,687
Payroll Deductions & Withholdings	-	-	6,450		6,450
Due to Student Groups	-	20,749	-		20,749
Total Liabilities	-	20,749	9,137		29,886
NET POSITION					
Reserved	43,594	-	-		43,594
Total Net Position	\$ 43,594	\$ -	\$ -	\$	43,594

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2017**

	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE</u>
Additions:	
Local Sources:	
Employee Salary Deductions	\$ 5,078
Total Operating Revenues	5,078
Other Sources:	
Interest on Investments	99
Total Additions	5,177
Deductions:	
Unemployment Compensation Insurance Claims	40
Change in Net Position	5,137
Net Position, July 1	38,457
Net Position, June 30	\$ 43,594

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	BALANCE JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2017
Elementary School	\$ 23,705	\$ 27,155	\$ 30,111	\$ 20,749
Total Student Activity	<u>\$ 23,705</u>	<u>\$ 27,155</u>	<u>\$ 30,111</u>	<u>\$ 20,749</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents	\$ 48,770	\$ 3,307,541	\$ 3,347,174	\$ 9,137
Total Assets	<u>\$ 48,770</u>	<u>\$ 3,307,541</u>	<u>\$ 3,347,174</u>	<u>\$ 9,137</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 5,322	\$ 1,439,643	\$ 1,438,515	\$ 6,450
Due to Employees	1,974	3,069	2,356	2,687
Due to General Fund	41,474	-	41,474	-
Net Payroll	-	1,864,829	1,864,829	-
Total Liabilities	<u>\$ 48,770</u>	<u>\$ 3,307,541</u>	<u>\$ 3,347,174</u>	<u>\$ 9,137</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, 2017**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2016	ISSUED	RETIRED	BALANCE JUNE 30, 2017
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, 2017**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 210,546	\$ -	\$ 210,546	\$ 210,546	\$ -
Miscellaneous	-	-	-	1,554	1,554
Total Revenues	210,546	-	210,546	212,100	1,554
Expenditures:					
Regular Debt Service:					
Interest	210,546	-	210,546	210,546	-
Total Expenditures	210,546	-	210,546	210,546	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	1,554	1,554
Fund Balance, July 1	-	-	-	5,733	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 7,287	\$ 1,554

**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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 3,317,201	\$ (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
Restricted	1,157,276	4,012,860	441,996	570,503	1,170,413	970,263	590,789	435,307	453,813	416,214
Unrestricted	(1,330,285)	(1,270,502)	(1,082,174)	534	3,384	49,123	34,221	836	(3,431)	(1,316)
<b>Total Governmental Activities:</b>	<b>\$ 3,144,192</b>	<b>\$ 1,547,904</b>	<b>\$ 1,180,089</b>	<b>\$ 2,267,165</b>	<b>\$ 2,451,576</b>	<b>\$ 2,324,178</b>	<b>\$ 1,974,923</b>	<b>\$ 1,661,195</b>	<b>\$ 1,548,906</b>	<b>\$ 1,226,019</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,605
Restricted	-	-	-	8,182	8,182	-	-	-	-	-
Unrestricted	7,664	3,296	4,331	1,761	9,004	22,632	26,365	26,522	35,403	22,807
<b>Total Business-Type Activities:</b>	<b>\$ 7,664</b>	<b>\$ 3,296</b>	<b>\$ 4,331</b>	<b>\$ 9,943</b>	<b>\$ 17,186</b>	<b>\$ 22,632</b>	<b>\$ 26,365</b>	<b>\$ 26,522</b>	<b>\$ 35,938</b>	<b>\$ 24,412</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 3,317,201	\$ (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
Restricted	1,157,276	4,012,860	441,996	578,685	1,178,595	970,263	590,789	435,307	453,813	416,214
Unrestricted	(1,322,621)	(1,267,206)	(1,077,843)	2,295	12,388	71,755	60,586	27,358	31,972	21,491
<b>Total District Net Position</b>	<b>\$ 3,151,856</b>	<b>\$ 1,551,200</b>	<b>\$ 1,184,420</b>	<b>\$ 2,277,108</b>	<b>\$ 2,468,762</b>	<b>\$ 2,346,810</b>	<b>\$ 2,001,288</b>	<b>\$ 1,687,717</b>	<b>\$ 1,584,844</b>	<b>\$ 1,250,431</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,466,239	\$ 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
Special	574,401	313,432	313,019	343,736	385,391	477,967	475,580	394,542	360,060	261,938
Other	162,621	146,232	139,606	173,235	172,918	164,925	146,136	148,415	202,061	307,877
Support Services:										
Tuition	29,360	55,332	96	96,541	53,729	78,320	44,200	55,822	112,700	259,011
Student & Instruction Related Services	670,694	643,098	762,829	620,787	489,041	440,669	471,046	579,310	378,735	362,897
General & Business Administrative Services	200,400	185,337	247,127	209,148	172,637	325,642	330,601	366,561	371,630	317,334
School Administrative Services	-	71,450	64,252	54,683	89,791	84,495	76,640	95,263	95,419	101,458
Central Services	122,642	115,386	144,495	137,429	138,809	-	-	-	-	-
Plant Operations & Maintenance	377,560	379,718	466,735	373,720	357,175	365,186	331,962	421,006	480,927	408,667
Pupil Transportation	186,430	186,573	179,824	213,925	224,878	231,208	271,823	276,091	274,735	299,550
Business & Other Support Services										
Unallocated Benefits	1,077,289	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
Special Schools	-	-	-	-	8,026	8,139	10,652	10,027	10,503	12,099
On-Behalf TPAF Pension & Soc. Sec. Contributions	561,120	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	147,587	128,667	-	-	-	-	8,858	16,642	26,182	38,107
Unallocated Depreciation	76,082	76,081	69,162	168,860	28,388	45,010	56,123	45,237	49,926	46,963
Total Governmental Activities Expenses:	5,652,425	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
Business-Type Activities:										
Food Service	85,710	114,738	98,373	101,495	111,768	112,339	101,400	119,283	115,130	125,572

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Business-Type Activities Expense	85,710	114,738	98,373	101,495	111,768	112,339	101,400	119,283	115,130	125,572
Total District Expenses	\$ 5,738,135	\$ 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
Revenues:										
Operating Grants & Contributions	\$ 1,287,787	\$ 1,087,399	\$ 1,082,973	\$ 128,055	\$ 158,692	\$ 485,490	\$ 444,530	\$ 548,946	\$ 517,037	\$ 621,286
Total Governmental Activities Program Revenues	1,287,787	1,087,399	1,082,973	128,055	158,692	485,490	444,530	548,946	517,037	621,286
Business-Type Activities: Charges for Services:										
Food Service	52,439	58,952	59,042	61,914	68,503	83,836	79,556	81,596	87,090	82,538
Operating Grants & Contributions	37,611	39,721	33,712	32,324	29,622	24,763	21,467	27,973	23,422	22,127
Total Business Type Activities Program Revenues	90,050	98,673	92,754	94,238	98,125	108,599	101,023	109,569	110,512	104,665
Total District Program Revenues	\$ 1,377,837	\$ 1,186,072	\$ 1,175,727	\$ 222,293	\$ 256,817	\$ 594,089	\$ 545,553	\$ 658,515	\$ 627,549	\$ 725,951

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

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net/(Expense)/Revenue:										
Governmental Activities	\$ (4,364,638)	\$ (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)
Business-Type Activities	4,340	(16,065)	(5,619)	(7,257)	(13,643)	(3,740)	(377)	(9,714)	(4,618)	(20,907)
<b>Total District-Wide Net Expense</b>	<b>\$ (4,360,298)</b>	<b>\$ (4,799,628)</b>	<b>\$ (4,729,698)</b>	<b>\$ (5,190,806)</b>	<b>\$ (4,815,227)</b>	<b>\$ (4,225,946)</b>	<b>\$ (4,114,600)</b>	<b>\$ (4,266,485)</b>	<b>\$ (4,143,831)</b>	<b>\$ (4,283,388)</b>
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
County Appropriations	\$ 3,451,384	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
Unrestricted Grants & Contributions	2,439,288	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
Tuition Received	60,472	31,925	-	-	-	-	-	-	-	3,300
Investment Earnings	1,774	76	40	252	125	84	836	881	205	11,731
Miscellaneous Income	8,008	32,072	31,444	20,503	18,370	65,455	50,365	82,926	40,402	25,245
Other Financing Sources - Transfers, Miscellaneous / Other	-	(15,000.00)	-	-	-	4,556	-	-	(16,049)	(4,286)
<b>Total Governmental Activities</b>	<b>5,960,926</b>	<b>5,151,378</b>	<b>4,750,094</b>	<b>4,999,138</b>	<b>4,947,705</b>	<b>4,571,461</b>	<b>4,427,951</b>	<b>4,369,060</b>	<b>4,349,708</b>	<b>4,286,572</b>
Business-type Activities	28	15,030	7	14	15	7	220	298	16,144	5,174
<b>Total District-Wide</b>	<b>\$ 5,960,954</b>	<b>\$ 5,166,408</b>	<b>\$ 4,750,101</b>	<b>\$ 4,999,152</b>	<b>\$ 4,947,720</b>	<b>\$ 4,571,468</b>	<b>\$ 4,428,171</b>	<b>\$ 4,369,358</b>	<b>\$ 4,365,852</b>	<b>\$ 4,291,746</b>
Change in Net Position:										
Governmental Activities	\$ 1,596,288	\$ 367,815	\$ 26,015	\$ (184,411)	\$ 146,121	\$ 349,255	\$ 313,728	\$ 112,289	\$ 210,495	\$ 24,091
Business-Type Activities	4,368	(1,035)	(5,612)	(7,243)	(13,628)	(3,733)	(157)	(9,416)	11,526	(15,733)
<b>Total District</b>	<b>\$ 1,600,656</b>	<b>\$ 366,780</b>	<b>\$ 20,403</b>	<b>\$ (191,654)</b>	<b>\$ 132,493</b>	<b>\$ 345,522</b>	<b>\$ 313,571</b>	<b>\$ 102,873</b>	<b>\$ 222,021</b>	<b>\$ 8,358</b>



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted for:										
Capital Reserve	\$ 65,956	\$ 65,736	\$ 65,660	\$ 40,620	\$ 539,618	\$ 289,493	\$ 89,409	\$ 88,573	\$ 87,692	\$ 87,487
Maintenance Reserve	101,948	101,800	26,800	26,800	10,000	10,000	10,000	10,000	10,000	10,000
Excess Surplus	253,255	212,786	32,669	92,174	139,565	396,937	216,124	139,913	191,079	127,248
Excess Surplus Designated for										
Subsequent Year's Expenditures	212,786	83,047	92,174	139,565	396,937	-	-	-	-	-
Assigned for:										
Year-end Encumbrances	9,952	3,835	253,050	163,972	84,293	5,249	-	-	24	33,518
Subsequent Year's Budget	2,262	283,372	-	107,372	-	249,861	275,256	196,821	165,000	155,823
Unassigned	133,926	135,717	181,602	131,944	140,151	142,469	149,373	128,931	127,833	191,022
<b>Total General Fund</b>	<b>\$ 780,085</b>	<b>\$ 886,293</b>	<b>\$ 651,955</b>	<b>\$ 702,447</b>	<b>\$ 1,310,564</b>	<b>\$ 1,094,009</b>	<b>\$ 740,162</b>	<b>\$ 564,238</b>	<b>\$ 581,628</b>	<b>\$ 605,098</b>
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,723	\$ -	\$ -	\$ -	\$ 1,604
Capital Projects Fund	516,044	3,262,284	(78,735)	-	-	-	-	-	-	-
Debt Service Fund	7,287	5,733	-	-	-	-	-	-	18	18
<b>Total All Other Governmental Funds</b>	<b>\$ 523,331</b>	<b>\$ 3,268,017</b>	<b>\$ (78,735)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ 1,622</b>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Tax Levy	\$ 3,451,384	\$ 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
Tuition Charges	60,472	31,925	-	-	-	-	-	-	-	3,300
Interest Earnings	1,774	76	40	252	84	84	836	881	205	11,731
Miscellaneous	8,008	31,903	31,444	20,503	18,370	65,455	50,365	82,926	40,402	25,246
State Sources	3,614,802	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
Federal Sources	112,273	117,901	135,980	127,515	158,126	182,043	120,675	332,589	166,176	135,958
<b>Total Revenue</b>	<b>7,248,713</b>	<b>5,797,612</b>	<b>5,331,409</b>	<b>5,127,193</b>	<b>5,106,397</b>	<b>5,052,395</b>	<b>4,872,481</b>	<b>4,918,006</b>	<b>4,882,794</b>	<b>4,896,921</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,466,239	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
Special Education Instruction	574,401	313,432	313,019	343,736	385,391	477,967	475,580	394,542	360,060	261,938
Other Instruction	162,621	146,232	139,606	173,235	172,918	164,925	146,136	148,415	202,061	307,877
<b>Support Services:</b>										
Tuition	29,360	55,332	96	96,541	53,729	78,320	44,200	55,822	112,700	259,011
Student & Instruction Related Services	670,694	643,098	762,829	620,787	489,041	440,669	471,046	579,310	378,735	364,397
General & Business Administration Services	200,400	183,962	245,752	207,773	172,637	323,480	330,601	364,375	367,857	312,841
School Administrative Services	-	71,450	64,252	54,683	89,791	84,495	76,640	95,263	95,419	101,458
Central Services	122,642	115,386	144,495	137,429	138,809	-	-	-	-	-
Plant Operations & Maintenance	377,560	372,350	466,735	373,720	357,175	359,747	331,962	373,595	460,578	402,117
Pupil Transportation	186,430	186,573	179,824	213,925	224,878	231,208	271,823	274,608	271,768	296,583
Other Support Services	948,482	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
On-Behalf TPAF Pension & Soc. Sec. Contributio	561,120	-	-	-	-	-	-	-	-	-
Special Schools	4,587,737	1,174,103	194,676	588,584	8,026	8,139	10,652	10,027	10,503	12,099
Capital Outlay	-	-	-	-	-	6,591	1,743	45,230	77,806	-
Debt Service:										
Principal	-	-	-	-	-	-	179,000	180,000	180,000	180,000
Interest & Other Charges	211,921	-	-	-	-	-	9,487	19,027	28,567	38,107
<b>Total Expenditures</b>	<b>10,099,607</b>	<b>6,305,691</b>	<b>5,460,636</b>	<b>5,735,310</b>	<b>4,889,842</b>	<b>4,679,825</b>	<b>4,696,557</b>	<b>4,935,414</b>	<b>4,891,819</b>	<b>4,974,547</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(2,850,894)</b>	<b>(508,079)</b>	<b>(129,227)</b>	<b>(608,117)</b>	<b>216,555</b>	<b>372,570</b>	<b>175,924</b>	<b>(17,408)</b>	<b>(9,025)</b>	<b>(77,626)</b>
<b>Other Financing Sources/(Uses):</b>										
Bond Proceeds	-	4,104,169	-	-	-	-	-	-	-	-
Transfers Out	-	(15,000)	-	-	-	-	-	-	(16,049)	(4,286)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>4,089,169</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,049)</b>	<b>(4,286)</b>
<b>Net Change in Fund Balances</b>	<b>\$(2,850,894)</b>	<b>\$ 3,581,090</b>	<b>\$(129,227)</b>	<b>\$(608,117)</b>	<b>\$ 216,555</b>	<b>\$ 372,570</b>	<b>\$ 175,924</b>	<b>\$(17,408)</b>	<b>\$(25,074)</b>	<b>\$(81,912)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.84%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>4.01%</b>	<b>4.07%</b>	<b>4.33%</b>	<b>4.38%</b>

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 OUTSTANDING CHECKS	ENERGY AUDIT	TUITION	MISCELLANEOUS	TOTAL
2017	\$ 2,082	\$ 2,015	\$ -	\$ 2,808	\$ -	\$ -	\$ 1,103	\$ 8,008
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

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
2017	8,087,100	278,881,500	50,180,000	7,001,900	40,198,430	384,348,930	907,931	385,256,861	41,194,250	0.920	421,641,864
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	1.547	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	1.480	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	1.457	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	47,552,780	440,123,649	1,095,081	441,218,730	29,914,660	0.691	491,033,999

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	
2017	0.920	N/A	0.920	0.591	1.012	0.445	2.968
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

Source: Burlington County Board of Taxation

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

TAXPAYER	2017		
	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	2008		
	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	
2017	\$ 3,451,384	\$ 3,451,384	100.00%	-
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%	-

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				
2017	\$ 4,104,000	N/A		\$ 4,104,000	N/A	N/A
2016	4,104,000	N/A		4,104,000	N/A	1,238
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%	53
2009	359,000	N/A		359,000	0.22%	104
2008	539,000	N/A		539,000	0.33%	156

**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			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2017	\$ 4,104,000	\$ -	\$ 4,104,000	1.07%	N/A
2016	4,104,000	-	4,104,000	1.07%	1,238
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%	53
2009	359,000	-	359,000	0.08%	104
2008	539,000	-	539,000	0.12%	156

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2017**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Springfield	\$ 7,790,000	100.000%	\$ 7,790,000
Burlington County General Obligation Debt	314,942,084	0.879%	2,766,898
Northern Burlington County Regional School District	11,520,000	14.912%	1,717,891
Subtotal, Overlapping Debt			12,274,789
Springfield Township School District Direct Debt			4,104,000
Total Direct & Overlapping Debt			<u>\$ 16,378,789</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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limit	\$ 10,114,141	\$ 9,945,272	\$ 10,028,456	\$ 10,299,429	\$ 10,799,601	\$ 9,467,104	\$ 9,963,209	\$ 10,119,278	\$ 10,090,280	\$ 11,448,457
Total Net Debt Applicable to Limit	4,104,000	4,104,000	-	-	-	-	-	179,000	359,000	539,000
Legal Debt Margin	\$ 6,010,141	\$ 5,841,272	\$ 10,028,456	\$ 10,299,429	\$ 10,799,601	\$ 9,467,104	\$ 9,963,209	\$ 9,940,278	\$ 9,731,280	\$ 10,909,457
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	40.58%	41.27%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%	3.56%	4.71%

**Legal Debt Margin Calculation for Fiscal Year 2017**

Equalized Valuation Basis	
2016	\$ 418,608,815
2015	401,110,182
2014	393,977,884
	<u>\$1,213,696,881</u>
Average Equalized Valuation of Taxable Property	<u>\$ 404,565,627</u>
Debt Limit (2.5 % of Average Equalization Value)	\$ 10,114,141
Net Bonded School Debt	<u>4,104,000</u>
Legal Debt Margin	<u>\$ 6,010,141</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 12 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)
2016	3,315	Unavailable	Unavailable	3.8%
2015	3,334	184,126,818	55,227	5.1%
2014	3,365	178,392,110	53,014	6.0%
2013	3,377	172,622,109	51,117	6.1%
2012	3,396	172,309,644	50,739	8.9%
2011	3,398	168,873,804	49,698	8.5%
2010	3,401	163,203,787	47,987	8.8%
2009	3,454	164,303,326	47,569	8.3%
2008	3,466	165,404,452	47,722	4.8%
2007	3,487	159,959,151	45,873	3.5%

**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

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

	2017		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Springfield Township School District	<b>INFORMATION NOT AVAILABLE</b>		
Total			

	2008		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Springfield Township School District	<b>INFORMATION NOT AVAILABLE</b>		

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

FUNCTION/PROGRAM	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	19.30	19.40	32.95	32.95	32.65	23.30	24.30	22.60	21.24	21.90
Special Education	12.16	12.94	-	-	-	5.00	8.30	5.00	5.67	7.10
Other Special Education	-	1.67	-	-	-	8.30	5.00	8.50	5.07	1.50
Other Instruction	-	0.33	-	-	-	-	-	-	-	-
Support Services:										
Student & Instructional Related Services	7.00	7.63	5.80	5.80	5.80	3.30	3.30	5.40	8.72	11.00
School Administration Services	-	-	2.40	2.40	1.90	2.40	3.40	2.30	2.30	2.30
General & Business Administrative Services	2.10	1.83	1.70	1.70	1.70	2.80	0.80	0.60	0.60	1.00
Plant Operations & Maintenance	4.30	4.99	4.10	4.10	4.10	4.50	4.50	4.50	4.50	5.30
Pupil Transportation	0.05	0.10	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Business & Other Support Services	-	-	-	-	-	1.60	1.60	1.10	1.10	1.10
<b>Total</b>	<b>44.91</b>	<b>48.89</b>	<b>47.85</b>	<b>47.85</b>	<b>47.05</b>	<b>52.20</b>	<b>52.20</b>	<b>51.00</b>	<b>50.20</b>	<b>52.20</b>

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	TEACHER / PUPIL RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2017	239	5,187,676	21,706	-2.16%	33	1:7	236.8	225.4	-3.19%	95.19%
2016	227	5,036,055	22,185	3.36%	33	1:7	244.6	234.5	0.00%	95.87%
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%

Source: District Records

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

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	432	433	433	432	432	432
Enrollment	239	227	239	251	265	287	290	300	309	319
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, 2017:  
 Elementary = 1  
 Other = 1

**Source:** School Year Attendance: Totals for STES in 2016-2017 (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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	TOTAL
* Springfield School	\$ 150,000	\$ 162,610	\$ 247,137	\$ 163,647	\$ 138,224	\$ 141,774	\$ 140,202	\$ 96,349	\$ 51,718	\$ 72,624	\$ 1,364,285

Source: District records

**INSURANCE SCHEDULE  
JUNE 30, 2017**

	COVERAGE	RETENTION	DEDUCTIBLE
<b>School Package Policy (1):</b>			
Building & Contents (All Locations) - Limits of Liability per Occurrence	\$175,000,000	\$ 250,000	\$ 500
Boiler & Machinery	125,000,000	-	1,000
General Automobile Liability	20,000,000	250,000	-
Workers' Compensation	Statutory	250,000	-
Crime Coverage	500,000	250,000	500
Educators Legal Liability	20,000,000	175,000	-
Pollution Legal Liability	3,000,000	-	25,000
Volunteer Accident & Health (2)	1,000,000	-	-
<b>Surety Bonds (3)</b>			
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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ALLISON, P.C.

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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 activities, the 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, 2017, and the related notes to the financial statements, which collectively comprise the Springfield Township School District's basic financial statements, and have issued our report thereon dated November 21, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 one instance of noncompliance or other matters that is 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 as finding no. 2017-001.

### **The Springfield Township School District's Response to Findings**

The Springfield Township School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 School 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 School 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  
November 21, 2017



HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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## EXHIBIT K-2

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 the Springfield Township School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2017. The 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and 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 the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, the 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, 2017.

### **Other Matters**

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and New Jersey OMB's Circular 15-08, which is 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. 2017-001. Our opinion on each major state program is not modified with respect to these matters.

### **Report on Internal Control Over Compliance**

Management of the 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 the 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 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 the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *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. 2017-001 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 Questioned Costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, 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 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  
November 21, 2017

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/PASS THROUGH GRANT/PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) 2017	UNEARNED REVENUE 2017
<b>U.S. Department of Agriculture</b>											
Passed Through New Jersey Department of Agriculture:											
Child Nutrition Cluster:											
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-02E	\$ 6,529	7/1/16-6/30/17	\$ -	\$ 6,097	\$ (6,529)	\$ -	\$ (432)	\$ -
School Breakfast Program	10.553	16161NJ304N1099	100-010-3350-02E	8,027	7/1/15-6/30/16	(1,773)	1,773	-	-	-	-
Subtotal						(1,773)	7,870	(6,529)	-	(432)	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-02E	22,714	7/1/16-6/30/17	-	21,149	(22,714)	-	(1,565)	-
National School Lunch Program	10.555	16161NJ304N1099	100-010-3350-02E	21,573	7/1/15-6/30/16	(4,345)	4,345	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	171NJ304N1099	Unavailable	8,355	7/1/16-6/30/17	-	8,355	(6,081)	-	-	2,274
Food Distribution Program (Noncash Assistance)	10.555	16161NJ304N1099	Unavailable	8,027	7/1/15-6/30/16	1,553	-	(1,553)	-	-	-
Subtotal						(2,792)	33,849	(30,348)	-	(1,565)	2,274
Total Child Nutrition Cluster						(4,565)	41,719	(36,877)	-	(1,997)	2,274
<b>Total U.S. Department of Agriculture</b>						(4,565)	41,719	(36,877)	-	(1,997)	2,274
<b>U.S. Department of Education</b>											
Passed Through New Jersey Department of Education:											
I.D.E.A. Part B (Special Education Cluster):											
Basic	84.027	H027A160100	100-034-5065-01E	73,738	7/1/16-6/30/17	-	38,088	(72,888)	-	(34,800)	-
Basic	84.027	H027A150100	100-034-5065-01E	73,030	7/1/15-6/30/16	(14,603)	14,603	-	-	-	-
Subtotal						(14,603)	52,691	(72,888)	-	(34,800)	-
Preschool	84.173	H173A160114	100-034-5065-02C	5,021	7/1/16-6/30/17	-	5,021	(5,021)	-	-	-
Total Special Education Cluster						(14,603)	57,712	(77,909)	-	(34,800)	-
No Child Left Behind (N.C.L.B.):											
Title I - Part A	84.010	S010A160030	100-034-5064-194	28,763	7/1/16-6/30/17	-	20,145	(28,615)	-	(8,470)	-
Title I - Part A	84.010	S010A150030	100-034-5064-194	19,478	7/1/15-6/30/16	(9,768)	9,768	-	-	-	-
Subtotal						(9,768)	29,913	(28,615)	-	(8,470)	-
Title II - Part A, Supporting Effective Instructic	84.367	S367A160029	100-034-5063-29C	4,576	7/1/16-6/30/17	-	-	(4,576)	-	(4,576)	-
Rural Education Achievement Program	84.358	S358A160030	Unavailable	4,279	7/1/16-6/30/17	-	-	(1,173)	-	(1,173)	-
Rural Education Achievement Program	84.358	S358A150030	Unavailable	25,180	7/1/15-6/30/16	(25,180)	-	-	-	(25,180)	-
Rural Education Achievement Program	84.358	S358A140030	Unavailable	37,112	9/1/10-8/31/11	(37,112)	-	-	-	(37,112)	-
Subtotal						(62,292)	-	(1,173)	-	(63,465)	-
<b>Total U.S. Department of Education</b>						(86,663)	87,625	(112,273)	-	(111,311)	-
<b>Total Expenditures of Federal Awards</b>						\$ (91,228)	\$ 129,344	\$ (149,150)	\$ -	\$ (113,308)	\$ 2,274

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

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	MEMO		
								BALANCE JUNE 30, 2017	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b><u>New Jersey Department of Education:</u></b>										
General Fund:										
State Aid-Public:										
Equalization Aid	495-034-5120-078	\$ 763,643	7/1/16-6/30/17	\$ -	\$ 763,643	\$ (763,643)	\$ -	\$ -	\$ 73,905	\$ 763,643
Categorical Security Aid	495-034-5120-084	22,191	7/1/16-6/30/17	-	22,191	(22,191)	-	-	2,148	22,191
Adjustment Aid	495-034-5120-085	123,590	7/1/16-6/30/17	-	123,590	(123,590)	-	-	11,961	123,590
Special Education Categorical Aid	495-034-5120-089	159,516	7/1/16-6/30/17	-	159,516	(159,516)	-	-	15,438	159,516
Per Pupil Growth Aid	495-034-5120-097	2,420	7/1/16-6/30/17	-	2,420	(2,420)	-	-	234	2,420
PARCC Readiness	495-034-5120-098	2,420	7/1/16-6/30/17	-	2,420	(2,420)	-	-	234	2,420
Professional Community Learning Aid	495-034-5120-101	2,000	7/1/16-6/30/17	-	2,000	(2,000)	-	-	193	2,000
<b>Total State Aid-Public</b>				<b>-</b>	<b>1,075,780</b>	<b>(1,075,780)</b>	<b>-</b>	<b>-</b>	<b>104,113</b>	<b>1,075,780</b>
Categorical Transportation Aid	495-034-5120-014	139,769	7/1/16-6/30/17	-	139,769	(139,769)	-	-	13,527	139,769
Additional Nonpublic School Transportation Aid	495-034-5120-014	1,566	7/1/16-6/30/17	-	-	(1,566)	-	(1,566)	-	1,566
Additional Nonpublic School Transportation Aid	495-034-5120-014	2,262	7/1/15-6/30/16	(2,262)	2,262	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	100-034-5094-003	151,255	7/1/16-6/30/17	-	143,919	(151,255)	-	(7,336)	-	151,255
Reimbursed TPAF Social Security Contributions	100-034-5094-003	158,732	7/1/15-6/30/16	(8,284)	8,284	-	-	-	-	-
TPAF - Post Retirement Medical Contributions (Noncash Assistance)	495-034-5094-001	185,983	7/1/16-6/30/17	-	185,983	(185,983)	-	-	-	185,983
TPAF - Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	223,208	7/1/16-6/30/17	-	223,208	(223,208)	-	-	-	223,208
TPAF - Long-Term Disability Insurance Contributions (Noncash Assistance)	495-034-5094-004	674	7/1/16-6/30/17	-	674	(674)	-	-	-	674
<b>Total General Fund</b>				<b>(10,546)</b>	<b>1,779,879</b>	<b>(1,778,235)</b>	<b>-</b>	<b>(8,902)</b>	<b>117,640</b>	<b>1,778,235</b>
Capital Projects Fund:										
New Jersey School Development Authority: School Facility Project	0510-050-14-1001	2,292,362	7/1/15-9/1/17	(454,700)	1,833,890	(1,837,662)	-	(458,472)	-	2,292,362
<b>Total Capital Projects Fund</b>				<b>(454,700)</b>	<b>1,833,890</b>	<b>(1,837,662)</b>	<b>-</b>	<b>(458,472)</b>	<b>-</b>	<b>2,292,362</b>
<b><u>New Jersey Department of Agriculture:</u></b>										
Enterprise Fund:										
National School Lunch Program	100-010-3350-023	734	7/1/16-6/30/17	-	686	(734)	-	(48)	-	734
National School Lunch Program	100-010-3350-023	788	7/1/15-6/30/16	(146)	146	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(146)</b>	<b>832</b>	<b>(734)</b>	<b>-</b>	<b>(48)</b>	<b>-</b>	<b>734</b>
<b>Total State Financial Assistance</b>				<b>\$ (465,392)</b>	<b>\$ 3,614,601</b>	<b>\$ (3,616,631)</b>	<b>\$ -</b>	<b>\$ (467,422)</b>	<b>\$ 117,640</b>	<b>\$ 4,071,331</b>
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	\$ 185,983	7/1/16-6/30/17			\$ 185,983				
TPAF - Normal Pension Contributions (Noncash Assistance)	495-034-5094-002	223,208	7/1/16-6/30/17			223,208				
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	674	7/1/16-6/30/17			674				
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>						<b>\$ (3,206,766)</b>				

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

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Note 1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Springfield Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures 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 using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2017. 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, 2017.

**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 SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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 one or more state aid June 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 \$(1,095) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,777,140	\$ 1,777,140
Special Revenue Fund	112,273	-	112,273
Capital Projects Fund	-	1,837,662	1,837,662
Food Service Fund	36,877	734	37,611
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 149,150</u>	<u>\$ 3,615,536</u>	<u>\$ 3,764,686</u>

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Springfield Township School District had no loan balances outstanding at June 30, 2017.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?        yes   X   no

2) Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

**SECTION IS N/A - NOT REQUIRED**

Internal control over major programs:

1) Material weakness(es) identified?        yes        no

2) Significant deficiency(ies) identified?        yes        none reported

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 Uniform Guidance?        yes        no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	-----------------------	---

Not Applicable

Dollar threshold used to determine Type A programs \_\_\_\_\_

Auditee qualified as low-risk auditee?        yes        no

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section I - Summary of Auditor's Results (continued)**

**State Financial Assistance**

Dollar threshold used to determine Type A programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>  X  </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	<u>      </u> yes <u>  X  </u> no
2) Significant deficiency(ies) identified?	<u>  X  </u> yes <u>      </u> no
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 New Jersey OMB's Circular 15-08?	<u>  X  </u> yes <u>      </u> no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
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, 2017**

**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.

None.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

**Finding 2017-001**

Criteria or specific requirement:

N.J.S.A. 18A: 18A-21 requires that “all advertisements for bids shall be published in an official newspaper sufficiently in advance of the date fixed for receiving the bids to promote competitive viding, but in no event less than 10 days prior to such date. For all contracts, the date fixed for receiving the bids shall not fall on a Monday, or any day directly following a state or federal holiday.”

Condition:

Control procedures were not followed to ensure that requests for bids are advertised as set forth in N.J.S.A. 18A:18A-21.

Context:

Public advertisement to accept bids for a door and window replacement project was not published as mandated by N.J.S.A. 18A:18A-21.

Cause:

Lack of oversight by district officials.

Effect or potential effect:

The District did not comply with Public School Contracts Law requirements when necessary.

Recommendation:

The District should follow control procedures to ensure that requests for bids will be advertised as required by N.J.S.A. 18A:18A-21.

View of responsible official:

The responsible official agrees with this 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, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

**Financial Statements**

**Finding No. 2016-001**

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.

Current Status:

This finding has been corrected.

**Federal Awards**

N/A – No Federal Single Audit in prior year.

**State Financial Assistance**

**Finding No. 2016-002**

Condition:

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

Current Status:

This finding has been corrected.

**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, 2017**

**State Financial Assistance (continued)**

**Finding No. 2016-003**

**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).

**Current Status:**

This finding has been corrected.

**Finding No. 2016-004**

**Condition:**

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

**Current Status:**

This finding has been corrected.

**Finding No. 2016-005**

**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.

**Current Status:**

This finding has been corrected.