

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

Jobstown, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**JOBSTOWN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT BUSINESS OFFICE**



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**INTRODUCTORY SECTION**

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# SPRINGFIELD TOWNSHIP ELEMENTARY SCHOOL

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Jobstown, NJ 08041  
Telephone (609) 723-2479  
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www.springfieldschool.org

CRAIG VAUGHN  
*Superintendent / Principal*

KIMBERLY HANNIGAN  
*Supervisor of Curriculum*

DAVID GORSKI  
*Business Administrator*

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December 16, 2019

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, 2019, 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, 2019, 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.

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 June 30<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>
2018-2019	230	4.55%
2017-2018	220	-7.95%
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%

**ECONOMIC CONDITION AND OUTLOOK**

For the fiscal year ended June 30, 2019, 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. As a result of New Jersey Senate Bill 2, the Springfield Township School District will see substantial losses in state aid for the fiscal years ended 2020 through 2025. The District is prepared to utilize surplus from previous years in order to help provide taxpayer relief in offsetting these losses; however, an emphasis on cost-cutting measures must be implemented in future budgets in order to maintain sustainability.

**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 cohort of districts,

## **MAJOR INITIATIVES (continued)**

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

Grant funding will offer our district opportunities to offset local monies for the 2019-2020 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, school gardens and Studio Productions Course.

## **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*

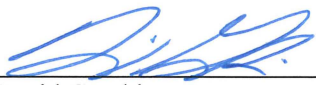
State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed 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.

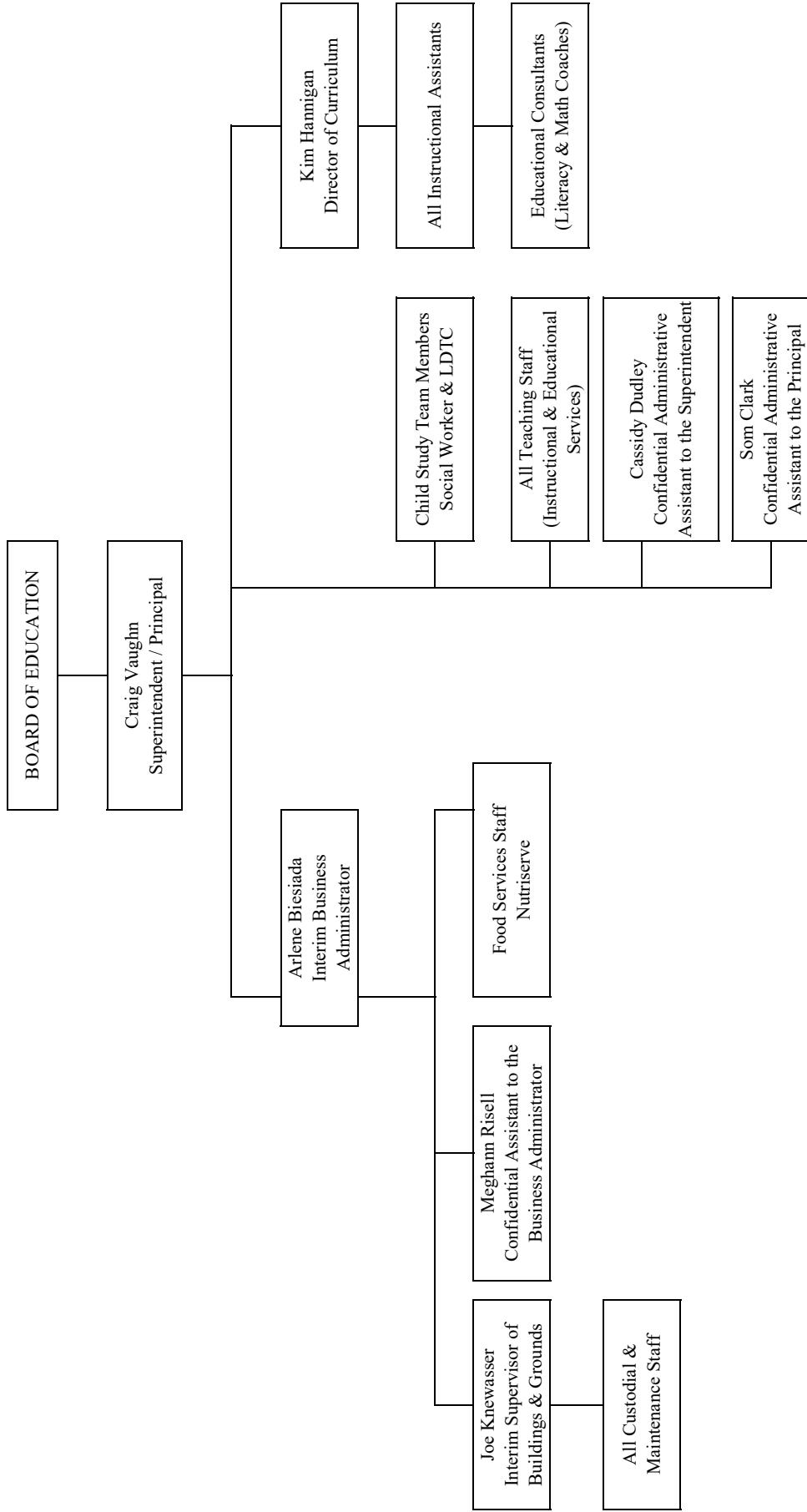
Respectfully submitted,

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

  
\_\_\_\_\_  
David Gorski,  
Business Administrator

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## ORGANIZATIONAL CHART



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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2019**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Kristen Lippencott, President	2020
Andrew Eaton, Vice President	2021
Jason Angello	2021
Joseph M. Bucs	2019
Wade Hale	2020
Greg Madia	2019
Ashleigh Murtaugh-Frey	2019
Michael Ramalho	2021
Gary Walker	2019

**OTHER OFFICIALS**

Craig Vaughn, Chief School Administrator

Arlene Biesiada, Interim Business Administrator/Board Secretary

Amy Lerner, Treasurer of School Monies

Robert A. Muccilli, Esq., Solicitor

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Kevin P. Frenia  
Holman Frenia Allison, P. C.  
618 Stokes Road  
Medford, NJ 08055

**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, 2019, 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, 2019, 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 and other post-employment benefits, 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 December 16, 2019 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.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 16, 2019

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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, 2019**  
**(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, 2019. 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 and Summer Camp 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, 2019**  
**(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 two enterprise funds (Food Service Fund and Summer Camp Fund) are listed individually and is considered to be major funds.

*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 2019 compared to fiscal year 2018.

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

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,698,264	\$ 1,482,992	\$ 215,272	14.5%
Capital Assets, Net	6,188,715	6,494,553	(305,838)	-4.7%
Total Assets	<u>7,886,979</u>	<u>7,977,545</u>	<u>(90,566)</u>	-1.1%
Deferred Outflow of Resources	<u>634,880</u>	<u>446,465</u>	<u>188,415</u>	42.2%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

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

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current and other Liabilities	325,382	237,927	87,455	36.8%
Noncurrent Liabilities	5,335,066	5,356,381	(21,315)	-0.4%
Total Liabilities	5,660,448	5,594,308	66,140	1.2%
Deferred Inflow of Resources	571,949	404,294	167,655	41.5%
Net Position:				
Net Investment in Capital Assets	2,628,292	2,736,490	(108,198)	-4.0%
Restricted	1,298,472	1,231,713	66,759	5.4%
Unrestricted (Deficit)	(1,637,302)	(1,542,795)	(94,507)	6.1%
Total Net Position	\$ 2,289,462	\$ 2,425,408	\$ (135,946)	-5.6%

Table 2 shows the changes in net position for fiscal year 2019 compared to fiscal year 2018.

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

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 45,579	\$ 40,976	\$ 4,603	11.2%
Operating Grants & Contributions	1,418,346	1,985,732	(567,386)	-28.6%
General Revenues:				
Property Taxes	3,550,782	3,542,964	7,818	0.2%
Federal & State Aid Unrestricted	1,149,388	1,197,873	(48,485)	-4.0%
Other General Revenues	85,853	140,616	(54,763)	-38.9%
Special Items:				
Cancellation of Accounts Receivable	-	(77,693)	77,693	N/A
Total Revenues	6,249,948	6,830,468	(580,520)	-8.5%

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

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

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Function/Program Expenditures:</b>				
Regular Instruction	1,333,927	1,438,601	(104,674)	-7.3%
Special Education Instruction	474,254	505,076	(30,822)	-6.1%
Other Instruction	68,841	153,373	(84,532)	-55.1%
Tuition	9,143	496	8,647	1743.3%
Student & Instruction Related Services	695,217	649,994	45,223	7.0%
General Administrative	223,962	203,125	20,837	10.3%
Central Services	145,156	152,718	(7,562)	-5.0%
Plant Operations & Maintenance	401,740	380,568	21,172	5.6%
Pupil Transportation	226,928	194,294	32,634	16.8%
Unallocated Benefits	961,677	903,024	58,653	6.5%
On-Behalf TPAF & Soc. Sec. Contr.	864,176	633,078	231,098	36.5%
Net Pension Liability & OPEB Expense	411,295	1,180,911	(769,616)	-65.2%
Interest & Other Charges	132,813	137,455	(4,642)	-3.4%
Unallocated Depreciation	363,951	954,138	(590,187)	-61.9%
Food Service	66,634	70,065	(3,431)	-4.9%
Summer Camp	6,180	-	6,180	N/A
Total Expenditures	<u>6,385,894</u>	<u>7,556,916</u>	<u>(1,171,022)</u>	-15.5%
Change In Net Position	(135,946)	(726,448)	590,502	-81.3%
Net Position - Beginning	2,425,408	3,151,856	(726,448)	-23.0%
Net Position - Ending	<u>\$ 2,289,462</u>	<u>\$ 2,425,408</u>	<u>\$ (135,946)</u>	-5.6%

**Governmental Activities**

During the fiscal year 2019, the net position of governmental activities decreased by \$135,946 or (5.61%). The primary reason for the decrease was the loss in State Aid Funding for the year due to Senate Bill 2, which totaled \$77,884.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$2,285,113, with an unrestricted deficit balance of \$1,641,651. 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:



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

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

Unrestricted Net Position (With GASB 68)	\$ (1,641,651)
Add back: PERS Pension Liability	1,393,143
Less: Deferred Outflows related to pensions	(634,880)
Add back: Deferred Inflows related to pensions	571,949
Add back: Due to Other Governments	<u>43,502</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (267,937)</u>

**Business-type Activities**

During the fiscal year 2019, the net position of business-type activities decreased by \$3,830 or 46.83%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$4,349.

**General Fund Budgeting Highlights**

Final budgeted revenues were \$4,449,747, which was a \$77,884 decrease from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$40,266.

Final budgeted appropriations were \$4,753,002, which was a decrease of \$77,884 from the original budget. The decrease is due to a change in state aid anticipated. Excluding nonbudgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$300,108.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$1,283,198 at June 30, 2019, an increase of \$96,392 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 \$1,472,189, an increase of \$102,639 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund increased by \$101,886 or 9.50% to \$1,174,499 at June 30, 2019, compared to a increase of \$292,528 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:

- State Aid funding decreased by \$77,884 in the current year, which led to a decrease in the Net Change in Fund Balance compared to the prior year. Continued spending cuts have led to increases in Fund Balance over the past years.

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Governmental Funds (continued)**

*Capital projects fund* – There was no change in the fund balance for the capital projects fund. This fund was closed out in the prior year due to the completion of projects.

*Debt service fund* - During the current fiscal year, the fund balance of the School District's debt service fund increased by \$753 to \$297,690 at June 30, 2019, compared to an increase of \$289,650 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the debt service fund is as follows:

- The Elementary School Improvements project was completed in the prior year and the remaining funds from the capital projects fund were closed out to the debt service fund. In the current year, only unanticipated interest revenue contributed to the increase in balance.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund decreased by \$4,725 or 57.77% to \$3,454 at June 30, 2019, compared to an increase of \$515 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 experienced a large decrease in operating revenue during the current fiscal year. The district has solicited RFP's for a new food management company and will focus all efforts in the subsequent year in increasing meals served.

*Summer camp fund* - During the current fiscal year, the district began operations and ended the year with an increase in fund balance of \$895.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$6,188,715 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School District's "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 decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$108,198. This decrease is primarily due to the use of bond proceeds to fund the prior capital projects just completed. Table 4 shows fiscal 2019 balances compared to 2018.

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

<u>Capital Assest (Net of Depreciation):</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 90,889	\$ 90,889	\$ -	0.00%
Land Improvements	28,218	32,321	(4,103)	-12.69%
Building and Improvements	5,710,434	6,021,497	(311,063)	-5.17%
Equipment	359,174	349,846	9,328	2.67%
	<u>\$ 6,188,715</u>	<u>\$ 6,494,553</u>	<u>\$ (305,838)</u>	<u>-4.71%</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2019**  
**(Unaudited) (Continued)**

**Capital Assets (continued)**

Depreciation expense for the year was \$363,951. 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.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$3,800,000, which represents no change from the prior year. The next principal payment is due on July 15, 2019 in the amount of \$155,000.

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 2019-2020 fiscal year:

- In order to minimize expenditures, the District participates in multiple cost-sharing shared service agreements. Additionally, in order to realize additional cost savings the District consolidated payroll and accounts payable responsibilities, eliminating one position and operated with a part-time Supervisor of Curriculum.
- 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) 723-2479.

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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, 2019**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2019
Cash & Cash Equivalents	\$ 922,275	\$ 12,972	\$ 935,247
Receivables, Net (Note 4)	84,839	978	85,817
Internal Balances	6,037	(6,037)	-
Inventory	-	6,925	6,925
Restricted Cash & Cash Equivalents	670,275	-	670,275
Capital Assets, Net (Note 5)			
Non-Depreciable	90,889	-	90,889
Depreciable, Net	6,097,826	-	6,097,826
<b>Total Assets</b>	<b>7,872,141</b>	<b>14,838</b>	<b>7,886,979</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions (Note 8)	634,880	-	634,880
<b>Total Deferred Outflows of Resources</b>	<b>634,880</b>	<b>-</b>	<b>634,880</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>8,507,021</b>	<b>14,838</b>	<b>8,521,859</b>
<b>LIABILITIES</b>			
Accounts Payable	206,604	-	206,604
Due to Other Governments	43,502	-	43,502
Unearned Revenue	4,633	10,489	15,122
Accrued Interest	60,154	-	60,154
Noncurrent Liabilities (Note 7):			
Due within one year	165,494	-	165,494
Due in more than one year	5,169,572	-	5,169,572
<b>Total Liabilities</b>	<b>5,649,959</b>	<b>10,489</b>	<b>5,660,448</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension (Note 8)	571,949	-	571,949
<b>Total Deferred Inflows of Resources</b>	<b>571,949</b>	<b>-</b>	<b>571,949</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,221,908</b>	<b>10,489</b>	<b>6,232,397</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,628,292		2,628,292
Restricted For:			
Capital Projects	66,286	-	66,286
Debt Service	297,690	-	297,690
Maintenance Reserve	206,299	-	206,299
Emergency Reserve	100,000	-	100,000
Excess Surplus	628,197	-	628,197
Unrestricted (Deficit)	(1,641,651)	4,349	(1,637,302)
<b>Total Net Position</b>	<b>\$ 2,285,113</b>	<b>\$ 4,349</b>	<b>\$ 2,289,462</b>

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019	
Governmental Activities:							
Instruction:							
Regular	\$ 1,333,927	\$ -	\$ 84,778	\$ (1,249,149)	\$ -	\$ (1,249,149)	
Special Education	474,254	-	-	(474,254)	-	(474,254)	
Other Instruction	68,841	-	-	(68,841)	-	(68,841)	
Support Services:							
Tuition	9,143	-	-	(9,143)	-	(9,143)	
Student & Instruction Related Services	695,217	-	53,735	(641,482)	-	(641,482)	
General Administrative Services	223,962	-	-	(223,962)	-	(223,962)	
Central Services	145,156	-	-	(145,156)	-	(145,156)	
Plant Operations and Maintenance	401,740	-	-	(401,740)	-	(401,740)	
Pupil Transportation	226,928	-	-	(226,928)	-	(226,928)	
Unallocated Employee Benefits	1,372,972	-	392,286	(980,686)	-	(980,686)	
On-Behalf TPAF Pension & Social Security Contributions	864,176	-	864,176	-	-	-	
Interest & Other Changes in Long-Term Debt	132,813	-	-	(132,813)	-	(132,813)	
Unallocated Depreciation	363,951	-	-	(363,951)	-	(363,951)	
Total Governmental Activities	6,313,080	-	1,394,975	(4,918,105)	-	(4,918,105)	
Business-Type Activities:							
Food Service	66,634	38,504	23,371	-	(4,759)	(4,759)	
Summer Camp	6,180	7,075	-	-	895	895	
Total Business-Type Activities	72,814	45,579	23,371	-	(3,864)	(3,864)	
Total Primary Government	\$ 6,385,894	\$ 45,579	\$ 1,418,346	\$ (4,918,105)	\$ (3,864)	\$ (4,921,969)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				3,550,782	-	3,550,782	
Federal & State Aid Unrestricted				1,149,388	-	1,149,388	
Tuition from Individuals				47,248	-	47,248	
Miscellaneous Income				38,571	34	38,605	
Total General Revenues, Special Items, Extraordinary Items & Transfers				4,785,989	34	4,786,023	
Change In Net Position				(132,116)	(3,830)	(135,946)	
Net Position - Beginning				2,417,229	8,179	2,425,408	
Net Position - Ending	\$	\$	\$	2,285,113	4,349	2,289,462	

## B. Fund Financial Statements

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## Governmental Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
					JUNE 30, 2019
Cash & Cash Equivalents	\$ 981,208	\$ -	\$ -	\$ -	\$ 981,208
Receivables, Net:					
Interfund Receivable	6,037	-	-	-	6,037
Due from Other Governments:					
Federal	-	63,566	-	-	63,566
State	7,659	-	-	-	7,659
Other Receivables	13,614	-	-	-	13,614
Restricted Cash & Cash Equivalents	372,585	-	-	297,690	670,275
<b>Total Assets</b>	<b>\$ 1,381,103</b>	<b>\$ 63,566</b>	<b>\$ -</b>	<b>\$ 297,690</b>	<b>\$ 1,742,359</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Liabilities:					
Cash Deficit	\$ -	\$ 58,933	\$ -	\$ -	\$ 58,933
Accounts Payable	206,604	-	-	-	206,604
Unearned Revenue	-	4,633	-	-	4,633
<b>Total Liabilities</b>	<b>206,604</b>	<b>63,566</b>	<b>-</b>	<b>-</b>	<b>270,170</b>
Fund Balances:					
Restricted for:					
Capital Reserve	66,286	-	-	-	66,286
Maintenance Reserve	206,299	-	-	-	206,299
Emergency Reserve	100,000	-	-	-	100,000
Excess Surplus - Current Year	315,000	-	-	-	315,000
Excess Surplus - Prior Year - Designated for Subsequent Year Expenditures	313,197	-	-	-	313,197
Debt Service	-	-	-	297,690	297,690
Assigned to:					
Designated for Subsequent Year's Expenditures	2,030	-	-	-	2,030
Other Purposes	29,226	-	-	-	29,226
Unassigned	142,461	-	-	-	142,461
<b>Total Fund Balances</b>	<b>1,174,499</b>	<b>-</b>	<b>-</b>	<b>297,690</b>	<b>1,472,189</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 1,381,103</b>	<b>\$ 63,566</b>	<b>\$ -</b>	<b>\$ 297,690</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,977,185 and the accumulated depreciation is \$2,788,470.	6,188,715
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.	62,931
Accrued pension contributions for the June 30, 2019 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.	(43,502)
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.	(60,154)
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.	(5,335,066)
<b>Net position of Governmental Activities</b>	<b>\$ 2,285,113</b>

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, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	<u>TOTALS</u> JUNE 30, 2019
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,262,213	\$ -	\$ -	\$ 288,569	\$ 3,550,782
Tuition from Individuals	47,248	-	-	-	47,248
Interest Earned on Capital Reserve Funds	165	-	-	-	165
Interest Earned on Maintenance Reserve Funds	135	-	-	-	135
Other Local Revenues/Miscellaneous	37,518	-	-	753	38,271
Total Local Sources	<u>3,347,279</u>	-	-	289,322	<u>3,636,601</u>
State Sources	1,863,422	-	-	-	1,863,422
Federal Sources	-	147,439	-	-	147,439
Total Revenues	<u>5,210,701</u>	<u>147,439</u>	-	<u>289,322</u>	<u>5,647,462</u>
Expenditures:					
Current Expense:					
Regular Instruction	1,249,149	84,778	-	-	1,333,927
Special Education Instruction	474,254	-	-	-	474,254
Other Instruction	68,841	-	-	-	68,841
Support Services & Undistributed Costs:					
Tuition	9,143	-	-	-	9,143
Student & Instruction Related Services	641,482	53,735	-	-	695,217
General Administrative Services	223,962	-	-	-	223,962
Central Services	145,156	-	-	-	145,156
Plant Operations & Maintenance	401,740	-	-	-	401,740
Pupil Transportation	226,928	-	-	-	226,928
Unallocated Employee Benefits	952,751	8,926	-	-	961,677
On-Behalf TPAF Pension & Social Security Contributions	714,034	-	-	-	714,034
Capital Outlay	58,113	-	-	-	58,113
Debt Service:					
Principal	-	-	-	155,000	155,000
Interest & Other Charges	1,375	-	-	133,569	134,944
Total Expenditures	<u>5,166,928</u>	<u>147,439</u>	-	<u>288,569</u>	<u>5,602,936</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>43,773</u>	-	-	753	<u>44,526</u>
Other Financing Sources/(Uses):					
Capital Lease (Non-Budgeted)	<u>58,113</u>	-	-	-	<u>58,113</u>
Total Other Financing Sources/(Uses)	<u>58,113</u>	-	-	-	<u>58,113</u>
Net Change in Fund Balance	101,886	-	-	753	102,639
Fund Balances July 1	<u>1,072,613</u>	-	-	<u>296,937</u>	<u>1,369,550</u>
Fund Balances June 30	<u>\$ 1,174,499</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,690</u>	<u>\$ 1,472,189</u>

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 102,639

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	\$ 58,113	
Depreciation Expense	<u>(363,951)</u>	(305,838)

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. (44,410)

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 155,000

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

Capital Lease Proceeds		(58,113)
------------------------	--	----------

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 (+) 2,131

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 (+).  
position and is not reported in the statement of activities. 16,475

Change in Net Position of Governmental Activities		<u><u>\$ (132,116)</u></u>
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## Proprietary Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

ASSETS	SUMMER CAMP FUND	FOOD SERVICE	TOTALS
Current Assets:			
Cash	\$ 6,370	\$ 6,602	\$ 12,972
Accounts Receivable:			
State	-	34	34
Federal	-	944	944
Inventories	-	6,925	6,925
	<hr/>		
Total Current Assets	6,370	14,505	20,875
	<hr/>		
Total Assets	6,370	14,505	20,875
	<hr/>		
LIABILITIES			
Current Liabilities:			
Interfunds Payable	-	6,037	6,037
Unearned Revenue	5,475	5,014	10,489
	<hr/>		
Total Liabilities	5,475	11,051	16,526
	<hr/>		
NET POSITION			
Unrestricted	895	3,454	4,349
	<hr/>		
Total Net Position	\$ 895	\$ 3,454	\$ 4,349
	<hr/> <hr/>		

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, 2019**

	SUMMER CAMP FUND	FOOD SERVICE	TOTALS
Operating Revenues:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ -	\$ 24,878	\$ 24,878
Daily Sales - Nonreimbursable Programs	-	13,626	13,626
Fees	7,075	-	7,075
	<hr/>		
Total Operating Revenue	7,075	38,504	45,579
	<hr/>		
Operating Expenses:			
Cost of Sales - Reimbursable Programs	-	18,415	18,415
Cost of Sales - Nonreimbursable Programs	-	5,213	5,213
Salaries and Fringe Benefits	6,180	29,258	35,438
Management Fee	-	8,967	8,967
Supplies and Materials	-	241	241
Miscellaneous Expenses	-	4,540	4,540
	<hr/>		
Total Operating Expenses	6,180	66,634	72,814
	<hr/>		
Operating Income/(Loss)	895	(28,130)	(27,235)
	<hr/>		
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	-	541	541
Federal Sources:			
National School Lunch Program	-	12,385	12,385
School Breakfast Program	-	3,398	3,398
Food Distribution Program	-	7,047	7,047
Local Sources:			
Interest Earned	-	34	34
	<hr/>		
Total Nonoperating Revenue/(Expenses)	-	23,405	23,405
	<hr/>		
Change in Net Position	895	(4,725)	(3,830)
Total Net Position - Beginning	-	8,179	8,179
	<hr/>		
Total Net Position - Ending	\$ 895	\$ 3,454	\$ 4,349
	<hr/> <hr/>		

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, 2019**

	SUMMER CAMP FUND	FOOD SERVICE	TOTALS
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers and Other Funds	\$ 5,750	\$ 38,504	\$ 44,254
Payments to Employees and for Employees Benefits	(6,180)	(29,258)	(35,438)
Payments to Suppliers	-	(30,776)	(30,776)
	<hr/>		
Net Cash Provided by (Used For) Operating Activities	(430)	(21,530)	(21,960)
<b>Cash Flows From Noncapital Financing Activities:</b>			
State Sources	-	554	554
Federal Sources	-	16,105	16,105
	<hr/>		
Net Cash Provided by (Used For) Noncapital Financing Activities	-	16,659	16,659
<b>Cash Flows from Investing Activities:</b>			
Interest and Dividends	-	34	34
	<hr/>		
Net Cash Provided by (Used For) Investing Activities	-	34	34
Net Increase/(Decrease) in Cash & Cash Equivalents	(430)	(4,837)	(5,267)
Balances - Beginning of Year	6,800	11,439	18,239
	<hr/>		
Balances - Ending of Year	\$ 6,370	\$ 6,602	\$ 12,972
	<hr/> <hr/>		

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

Operating Income (Loss)	\$ 895	\$ (28,130)	\$ (27,235)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Non-Cash Federal Assistance - Food Distribution Program	-	7,047	7,047
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	(1,824)	(1,824)
Increase/(Decrease) in Unearned Revenue	(1,325)	1,377	52
	<hr/>		
Net Cash Provided by (Used for) Operating Activities	\$ (430)	\$ (21,530)	\$ (21,960)
	<hr/> <hr/>		

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 POSITION  
JUNE 30, 2019**

ASSETS	PRIVATE PURPOSE <u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	AGENCY FUNDS	<u>TOTALS</u> JUNE 30, 2019
Cash & Cash Equivalents	\$ 49,513	\$ 28,858	\$ 78,371
Total Assets	<u>49,513</u>	<u>28,858</u>	<u>78,371</u>
LIABILITIES			
Payroll Deductions & Withholdings	-	4,633	4,633
Due to Employees	-	2,662	2,662
Due to Student Groups	-	21,563	21,563
Total Liabilities	<u>-</u>	<u>28,858</u>	<u>28,858</u>
NET POSITION			
Reserved	<u>49,513</u>	-	<u>49,513</u>
Total Net Position	<u>\$ 49,513</u>	<u>\$ -</u>	<u>\$ 49,513</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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE</u>
ADDITIONS	
Local Sources:	
Employee Salary Deductions	\$ 6,634
Other Sources:	
Interest on Investments	<u>114</u>
Total Additions	<u>6,748</u>
DEDUCTIONS	
Unemployment Compensation	
Insurance Claims	<u>722</u>
Total Deductions	<u>722</u>
Change in Net Position	6,026
Net Position - Beginning of the Year	<u>43,487</u>
Net Position - End of the Year	<u><u>\$ 49,513</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, 2019**

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# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

### 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, 2019 of 230 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* and GASB 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. The School District had no component units as of for the year ended June 30, 2019.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

#### **Government-Wide Financial Statements**

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

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

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

#### **Governmental Fund Financial Statements**

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

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



## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

##### **Proprietary Fund Financial Statements**

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

##### **Fiduciary Fund Financial Statements**

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

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

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

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

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

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

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

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

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

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

The 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.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

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.

**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.

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.

**Summer Camp Fund** – The summer camp fund accounts for the financial transactions related to the summer camp operations of the School District.

Additionally, 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.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

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

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

### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

#### **Encumbrances**

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

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

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

#### **Cash and Cash Equivalents**

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2019 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**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 District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

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

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

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

<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 District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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 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.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

**Fund Balance**

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
  
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
  
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.
  
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
  
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

**Net Position**

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



## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

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

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2019:

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. Implementation of this Statement did not have a material impact on the School District's financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Implementation of this Statement did not have a material 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. 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 has not yet determined the potential 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 financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

beginning after December 15, 2019. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are 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.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

#### **Bond Premiums, Discounts and Issuance Costs**

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**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 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2. 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, 2018, the School District's bank balance of \$1,737,599 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 1,651,862
Uninsured and Uncollateralized	<u>85,737</u>
Total	<u><u>\$ 1,737,599</u></u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 2. Deposits and Investments (continued)**

**Investments**

The School District had no investments at June 30, 2019.

**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 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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 66,121
Increased by:	
Interest Earnings	<u>165</u>
Ending Balance, June 30, 2019	<u><u>\$ 66,286</u></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, 2018 to June 30, 2019 fiscal year is as follows:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

Beginning Balance, July 1, 2018	\$ 202,203
Increased by:	
Interest Earnings	135
Deposits approved by Board	<u>53,961</u>
	256,299
Decreased by:	
Budget Withdrawals	<u>50,000</u>
Ending Balance, June 30, 2019	<u><u>\$ 206,299</u></u>

**Emergency Reserve**

An emergency reserve account was established by inclusion of \$100,000 on June 18, 2018 for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Ending Balance, June 30, 2019 & 2018	<u><u>\$ 100,000</u></u>
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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2019 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, 2019, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 63,566	\$ 63,566	\$ 944	\$ 944
State Awards	7,659	-	7,659	34	34
Other	13,614	-	13,614	-	-
<b>Total</b>	<b>\$ 21,273</b>	<b>\$ 63,566</b>	<b>\$ 84,839</b>	<b>\$ 978</b>	<b>\$ 978</b>

**Note 5. Capital Assets**

Capital assets activity for the year ended June 30, 2019 was as follows:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2019</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 90,889	\$ -	\$ -	\$ 90,889
Construction in Progress	-	-	-	-
<b>Total Capital Assets not being depreciated</b>	<b>90,889</b>	<b>-</b>	<b>-</b>	<b>90,889</b>
Capital Assets being depreciated:				
Land Improvements	182,339	-	-	182,339
Buildings and Improvements	7,978,158	-	-	7,978,158
Equipment	667,686	58,113	-	725,799
<b>Total Capital Assets being depreciated</b>	<b>8,828,183</b>	<b>58,113</b>	<b>-</b>	<b>8,886,296</b>
Less: Accumulated Depreciation:				
Land Improvements	(150,018)	(4,103)	-	(154,121)
Buildings and Improvements	(1,956,661)	(311,063)	-	(2,267,724)
Equipment	(317,840)	(48,785)	-	(366,625)
<b>Total Accumulated Depreciation</b>	<b>(2,424,519)</b>	<b>(363,951)</b>	<b>-</b>	<b>(2,788,470)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>6,403,664</b>	<b>(305,838)</b>	<b>-</b>	<b>6,097,826</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 6,494,553</b>	<b>\$ (305,838)</b>	<b>\$ -</b>	<b>\$ 6,188,715</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 5. Capital Assets (continued)**

	Balance July 1, <u>2018</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2019</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 43,200	\$ -	\$ -	\$ 43,200
	<u>43,200</u>	<u>-</u>	<u>-</u>	<u>43,200</u>
Less: Accumulated Depreciation:				
Equipment	(43,200)	-	-	(43,200)
	<u>(43,200)</u>	<u>-</u>	<u>-</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.

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

Individual fund receivables/payables balances at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 6,037	\$ -
Food Service Fund	<u>-</u>	<u>6,037</u>
	<u>\$ 6,037</u>	<u>\$ 6,037</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.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2019 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>	Balance Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 3,955,000	\$ -	\$ 155,000	\$ 3,800,000	\$ 155,000
Capital Leases	-	58,113	12,809	45,304	10,494
Compensated Absences	113,094	-	16,475	96,619	-
Net Pension Liability	1,288,287	104,856	-	1,393,143	-
	<u>\$ 5,356,381</u>	<u>\$ 162,969</u>	<u>\$ 184,284</u>	<u>\$ 5,335,066</u>	<u>\$ 165,494</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

For governmental activities, the bonds payable are liquidated from the School District’s debt service fund. Capital leases, 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>	
2020	\$ 155,000	\$ 128,919	\$ 283,919	
2021	160,000	124,194	284,194	
2022	165,000	119,319	284,319	
2023	170,000	114,293	284,293	
2024	175,000	109,119	284,119	
2025-2029	975,000	461,313	1,436,313	
2030-2034	1,175,000	283,584	1,458,584	
2035-2037	825,000	50,300	875,300	
	<u>\$ 3,800,000</u>	<u>\$ 1,391,041</u>	<u>\$ 5,191,041</u>	

**Capital Lease Payable**

As of June 30, 2019, the District had one lease purchase agreement outstanding in the amount of \$45,304. This lease agreement was used to finance the purchase of a school bus.

The future minimum lease payments for this lease are as follows:

Fiscal Year Ending	
<u>June 30,</u>	
2020	\$ 12,809
2021	12,809
2022	12,809
2023	<u>12,809</u>
Total Minimum Lease Payments	51,236
Less: Amount Representing Interest	<u>(5,932)</u>
	<u>\$ 45,304</u>



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

Amortization of the leased equipment under capital assets is included with depreciation expense.

**Bonds Authorized but not Issued**

As of June 30, 2019, 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:

<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 2018, the State's pension contribution was less than the actuarial determined amount.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

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, 2019, the School District reported a liability of \$1,393,143 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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, 2018. The School District's proportion measured as of June 30, 2018, was 0.00311%, which was a decrease of 0.00242% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$127,599 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2019 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 26,567	\$ 7,183
Changes of Assumptions	229,567	445,453
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	13,068
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	335,244	106,245
School District Contributions Subsequent to Measurement Date	<u>43,502</u>	<u>-</u>
	<u>\$ 634,880</u>	<u>\$ 571,949</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

\$43,502 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 Dec 31,</b>	<b>Amount</b>
2020	\$ 100,866
2021	53,488
2022	41,791
2023	(161,258)
2024	<u>28,044</u>
	<u>\$ 62,931</u>

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:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

	<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	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
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	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

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 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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, 2017 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 (7.00% at June 30, 2018) 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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 40% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

**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, 2018, calculated using the discount rate of 5.66% 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>1% Decrease <u>(4.66%)</u></b>	<b>Current Discount Rate <u>(5.66%)</u></b>	<b>1% Increase <u>(6.66%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 1,751,716</u>	<u>\$ 1,393,142</u>	<u>\$ 1,092,322</u>

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018

**Balances at June 30, 2019 and June 30, 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 591,378	\$ 376,086
Deferred Inflows of Resources	571,949	404,294
Net Pension Liability	1,393,143	1,288,287
District's portion of the Plan's total net pension Liability	0.00311%	0.00553%

**B. Teachers' Pension and Annuity Fund (TPAF)**

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

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 2018, 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 considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer 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, 2018 was \$12,488,797. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

the TPAF net pension liability attributable to the School District was 0.01963%, which was a decrease of 0.000213% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$728,053 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment Rate of Return	7.00%

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, 2017 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 (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr/>	
	100.00%	
	<hr/>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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 discount rate of 4.86% 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:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

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

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

	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>14,761,521</u>	<u>12,488,797</u>	<u>10,604,764</u>
	<u>\$ 14,761,521</u>	<u>\$ 12,488,797</u>	<u>\$ 10,604,764</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.

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	12,675,037,111	14,353,461,035
Collective Deferred Inflows of Resources	16,381,811,884	11,992,821,439
Collective Net Pension Liability	63,806,350,446	67,670,209,171
School District's Portion	0.01963%	0.01984%

**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:

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

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

##### C. Defined Contribution Plan (DCRP) (continued)

- 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.
- 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, 2019, employee contributions totaled \$11,736 and the District recognized pension expense of \$6,400.

#### Note 9. Other Post-Retirement Benefits

##### General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

**Basis of Presentation**

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**Inflation Rate:** 2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

#### **Note 9. Other Post-Retirement Benefits (continued)**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2018 was \$11,462,721. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02485906%, which was a decrease of 0.00074711% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the State of New Jersey recognized an OPEB expense in the amount of \$383,158 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

#### **Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

#### **Discount Rate**

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

#### **Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

	<b>June 30, 2018</b>		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 13,551,269.64	\$ 11,462,721	\$ 9,802,540.51
State of New Jersey's Total Non- employer Liability	\$ 54,512,391,175	\$ 46,110,832,982	\$ 39,432,461,816

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate**

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2018</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 9,474,606.52	\$ 11,462,721	\$ 14,092,078.51
State of New Jersey's Total Nonemployer OPEB Liability	\$ 38,113,289,045	\$ 46,110,832,982	\$ 56,687,891,003

\* See Healthcare Cost Trend Assumptions for details of rates.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Additional Information**

Collective balances of the Local Group at June 30, 2018 are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion	\$ 1,377,313,892	\$ (1,377,313,892)
Differences between Expected & Actual Experience	-	(4,476,086,167)
Change in Assumptions	-	(10,335,978,867)
Contributions Made in Fiscal Year Year Ending 2019 After June 30, 2018 Measurement Date **	<u>TBD</u>	<u>-</u>
	<u>\$ 1,377,313,892</u>	<u>\$ (16,189,378,926)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2019	(1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	<u>(5,685,972,069)</u>
	<u>(14,812,065,034)</u>

\*\* Employer Contributions made after June 30, 2018 are reported as a deferred outflow of resources, but are not amortized in expense.

**Plan Membership**

At June 30, 2017, the Program membership consisted of the following:

	<u>June 30, 2017</u>
Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>145,050</u>
	<u>362,181</u>



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 9. Other Post-Retirement Benefits (continued)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

**Total OPEB Liability**

Service Cost	\$ 1,984,642,729
Interest Cost	1,970,236,232
Difference Between Expected & Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Contributions: Member	42,614,005
Gross Benefit Payments	<u>(1,232,987,247)</u>
Net Change in Total OPEB Liability	(7,529,008,876)
Total OPEB Liability (Beginning)	<u>53,639,841,858</u>
Total OPEB Liability (Ending)	<u><u>\$ 46,110,832,982</u></u>
Total Covered Employee Payroll	\$ 13,640,275,833
Net OPEB Liability as a Percentage of Payroll	338%

**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 statements. For the fiscal year ended June 30, 2019, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$397,434, \$136,123, \$180,275 and \$202, 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:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 11. Risk Management (continued)**

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 6,634	\$ 114	\$ 722	\$ 49,513
2017-2018	3,035	108	3,250	43,487
2016-2017	5,078	99	40	43,594

**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, 2018 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.

**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.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019 (continued)

#### 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, 2019, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$96,619 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 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.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 16. Commitments**

The School District has contractual commitments at June 30, 2019 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$29,226.

**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, 2019 amounted to \$13,923. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2020	\$ 13,923
2021	<u>13,924</u>
Total Minimum Lease Payments	<u>\$ 27,847</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, 2019 was \$315,000.

**Note 19. Fund Balances**

**General Fund** – Of the \$1,174,499 General Fund fund balance at June 30, 2019, \$66,286 has been restricted for the Capital Reserve Account; \$206,299 has been restricted for the Maintenance Reserve Account; \$100,000 has been restricted for the Emergency Reserve Account; \$315,000 has been restricted for current year excess surplus; \$313,197 is restricted for prior year excess surplus – designated for subsequent year’s expenditures; \$2,030 is assigned to designated for subsequent years’ expenditures; \$29,226 is assigned to other purposes and \$142,461 has been unassigned.

**Debt Service Fund** – Of the \$297,690 Debt Service Fund fund balance at June 30, 2019, \$297,690 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 \$1,641,651 at June 30, 2019. 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, 2019. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2019 (continued)**

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 and December 16, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the School District that would require disclosure.

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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, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210	\$ 3,262,213	\$ -	\$ 3,262,213	\$ 3,262,213	\$ -
Tuition from Individuals	10-1310	20,000	-	20,000	47,248	27,248
Interest Earned on Maintenance Reserve Funds	10-1XXX	150	-	150	135	(15)
Interest Earned on Capital Reserve Funds	10-1XXX	150	-	150	165	15
Other Local Revenue/Miscellaneous	10-1XXX	24,500	-	24,500	37,518	13,018
<b>Total Local Sources</b>		<b>3,307,013</b>	<b>-</b>	<b>3,307,013</b>	<b>3,347,279</b>	<b>40,266</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	22,357	-	22,357	22,357	-
Adjustment Aid	10-3178	135,333	(77,884)	57,449	57,449	-
Nonpublic Transportation Aid	10-3xxx	-	-	-	1,160	1,160
<b>Nonbudgeted:</b>						
<b>On-Behalf TPAF:</b>						
Normal Pension Contributions		-	-	-	397,434	397,434
Post-Retirement Medical Contributions		-	-	-	180,275	180,275
Long-Term Disability Insurance Contributions		-	-	-	202	202
Reimbursed TPAF Social Security Contributions		-	-	-	136,123	136,123
<b>Total State Sources</b>		<b>1,220,618</b>	<b>(77,884)</b>	<b>1,142,734</b>	<b>1,857,928</b>	<b>715,194</b>
<b>Total Revenues</b>		<b>4,527,631</b>	<b>(77,884)</b>	<b>4,449,747</b>	<b>5,205,207</b>	<b>755,460</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	30,806	635	31,441	30,653	788
Kindergarten	11-110-100-101	187,394	3,461	190,855	188,494	2,361
Grades 1 - 5	11-120-100-101	709,549	96,075	805,624	794,614	11,010
Grades 6 - 8	11-130-100-101	185,826	(65,200)	120,626	118,269	2,357
<b>Home Instruction - Regular Programs:</b>						
Salaries of Teachers	11-150-100-101	960	4,047	5,007	3,330	1,677
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	35,018	(9,499)	25,519	16,292	9,227
Purchased Professional - Educational Services	11-190-100-320	8,500	(4,587)	3,913	1,266	2,647
Purchased Technical Services	11-190-100-340	40,452	(4,989)	35,463	31,309	4,154
Other Purchased Services	11-190-100-500	858	-	858	858	-
General Supplies	11-190-100-610	79,773	(4,750)	75,023	64,064	10,959
Other Objects	11-190-100-800	2,500	10,671	13,171	-	13,171
<b>Total Regular Programs - Instruction</b>		<b>1,281,636</b>	<b>25,864</b>	<b>1,307,500</b>	<b>1,249,149</b>	<b>58,351</b>
<b>Special Education:</b>						
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	138,135	(72,870)	65,265	62,108	3,157
Other Salaries for Instruction	11-212-100-106	52,971	(11,868)	41,103	41,069	34
<b>Total Multiple Disabilities</b>		<b>191,106</b>	<b>(84,738)</b>	<b>106,368</b>	<b>103,177</b>	<b>3,191</b>
<b>Resource Room/Resource Center</b>						
Salaries of Teachers	11-213-100-101	274,547	13,736	288,283	288,282	1
Other Salaries for Instruction	11-213-100-106	14,490	10,529	25,019	25,014	5
General Supplies	11-213-100-610	1,200	(1,075)	125	-	125
<b>Total Resource Room/Resource Center</b>		<b>290,237</b>	<b>23,190</b>	<b>313,427</b>	<b>313,296</b>	<b>131</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019			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	32,296	(571)	31,725	30,273	1,452
Other Salaries for Instruction	11-215-100-106	21,324	6,246	27,570	27,508	62
General Supplies	11-215-100-600	450	-	450	-	450
<b>Total Pre-School Disabilities - Part-Time</b>		<b>54,070</b>	<b>5,675</b>	<b>59,745</b>	<b>57,781</b>	<b>1,964</b>
<b>Home Instruction:</b>						
Salaries of Teachers	11-219-100-101	480	-	480	-	480
<b>Total Home Instruction</b>		<b>480</b>	<b>-</b>	<b>480</b>	<b>-</b>	<b>480</b>
<b>Total Special Education</b>		<b>535,893</b>	<b>(55,873)</b>	<b>480,020</b>	<b>474,254</b>	<b>5,766</b>
<b>Other Instruction:</b>						
<b>Basic Skills/Remedial</b>						
Salaries of Teachers	11-230-100-101	129,670	(66,470)	63,200	63,200	-
General Supplies	11-230-100-610	400	-	400	-	400
<b>Total Basic Skills/Remedial</b>		<b>130,070</b>	<b>(66,470)</b>	<b>63,600</b>	<b>63,200</b>	<b>400</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	8,500	(1,000)	7,500	5,533	1,967
Other Purchased Services	11-401-100-500	4,200	-	4,200	-	4,200
<b>Total School Sponsored Cocurricular Activities</b>		<b>12,700</b>	<b>(1,000)</b>	<b>11,700</b>	<b>5,533</b>	<b>6,167</b>
<b>Other Instructional Programs - Instruction</b>						
Salaries	11-4XX-100-101	31,500	(17,688)	13,812	-	13,812
General Supplies	11-4XX-100-610	1,000	-	1,000	108	892
<b>Total Other Instructional Programs - Instruction</b>		<b>32,500</b>	<b>(17,688)</b>	<b>14,812</b>	<b>108</b>	<b>14,704</b>
<b>Total Instruction</b>		<b>1,992,799</b>	<b>(115,167)</b>	<b>1,877,632</b>	<b>1,792,244</b>	<b>85,388</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to CSSD & Regional Day Schools	11-000-100-565	4,000	6,873	10,873	9,143	1,730
<b>Total Instruction</b>		<b>4,000</b>	<b>6,873</b>	<b>10,873</b>	<b>9,143</b>	<b>1,730</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	34,791	(1,666)	33,125	28,998	4,127
Other Purchased Services	11-000-211-500	7,700	65	7,765	7,765	-
<b>Total Attendance &amp; Social Work Services</b>		<b>42,491</b>	<b>(1,601)</b>	<b>40,890</b>	<b>36,763</b>	<b>4,127</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	66,978	1,020	67,998	67,998	-
Purchased Professional & Technical Services	11-000-213-300	2,800	1,044	3,844	3,404	440
Supplies and Materials	11-000-213-600	3,420	(262)	3,158	2,831	327
Other Objects	11-000-213-800	100	-	100	85	15
<b>Total Health Services</b>		<b>73,298</b>	<b>1,802</b>	<b>75,100</b>	<b>74,318</b>	<b>782</b>
<b>Speech, OT, PT &amp; Related Services:</b>						
Salaries	11-000-216-100	47,629	14,485	62,114	62,114	-
Purchased Professional/Educational Services	11-000-216-320	-	1,900	1,900	1,900	-
Purchased Professional/Technical Services	11-000-216-340	32,900	17,484	50,384	49,786	598
<b>Total Speech, OT, PT &amp; Related Services</b>		<b>80,529</b>	<b>33,869</b>	<b>114,398</b>	<b>113,800</b>	<b>598</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Child Study Teams:</b>						
Salaries of Other Professional Staff	11-000-219-104	100,475	61,620	162,095	160,454	1,641
Salaries of Secretarial & Clerical Assistants	11-000-219-105	36,320	1	36,321	36,321	-
Other Salaries	11-000-219-110	1,220	920	2,140	2,140	-
Purchased Professional & Technical Services	11-000-219-390	63,600	(41,622)	21,978	21,893	85
Residential Costs	11-000-219-591	805	(203)	602	589	13
Supplies & Materials	11-000-219-600	1,500	(170)	1,330	1,322	8
<b>Total Child Study Team</b>		<b>203,920</b>	<b>20,546</b>	<b>224,466</b>	<b>222,719</b>	<b>1,747</b>
<b>Improvement of Instruction:</b>						
Salary of Supervisor of Instruction	11-000-221-102	96,875	(38,148)	58,727	55,681	3,046
Salaries of Secretaries & Clerical Assistants	11-000-221-105	7,000	-	7,000	7,000	-
Other Salaries	11-000-221-110	2,800	(760)	2,040	1,610	430
Other Purchased Services	11-000-221-500	5,000	-	5,000	5,000	-
Supplies and Materials	11-000-221-600	300	-	300	300	-
Other Objects	11-000-221-800	1,000	(1,000)	-	-	-
<b>Total Improvement of Instruction</b>		<b>112,975</b>	<b>(39,908)</b>	<b>73,067</b>	<b>69,591</b>	<b>3,476</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	60,837	-	60,837	59,524	1,313
Pruchased Professional & Technical Services	11-000-222-300	55,350	(350)	55,000	55,000	-
Supplies and Materials	11-000-222-600	6,420	(2,921)	3,499	3,456	43
<b>Total Educational Media Services/School Library</b>		<b>122,607</b>	<b>(3,271)</b>	<b>119,336</b>	<b>117,980</b>	<b>1,356</b>
<b>Instructional Staff Training:</b>						
Other Salaries	11-000-223-110	2,000	(1,625)	375	373	2
Purchased Professional - Technical Services	11-000-223-390	1,867	(575)	1,292	754	538
Other Purchased Services	11-000-223-500	11,800	(7,515)	4,285	4,285	-
Supplies and Materials	11-000-223-600	1,830	(930)	900	899	1
<b>Total Instructional Staff Training</b>		<b>17,497</b>	<b>(10,645)</b>	<b>6,852</b>	<b>6,311</b>	<b>541</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	136,564	(8,864)	127,700	125,856	1,844
Legal Services	11-000-230-331	12,000	33,170	45,170	45,169	1
Audit Fees	11-000-230-332	18,500	880	19,380	19,380	-
Other Purchased Professional Services	11-000-230-339	5,076	4,506	9,582	9,582	-
Purchased Technical Services	11-000-230-340	6,385	867	7,252	7,251	1
Communications/Telephone	11-000-230-530	6,265	55	6,320	6,157	163
BOE Other Pruchased Services	11-000-230-585	2,000	(1,259)	741	741	-
Misc Purchase Svc	11-000-230-590	1,508	1,102	2,610	2,597	13
Supplies and Materials	11-000-230-610	2,525	(200)	2,325	2,084	241
Miscellaneous Expenditures	11-000-230-890	1,700	325	2,025	2,025	-
BOE Membership Dues & Fees	11-000-230-895	3,125	-	3,125	3,120	5
<b>Total Support Services General Administration</b>		<b>195,648</b>	<b>30,582</b>	<b>226,230</b>	<b>223,962</b>	<b>2,268</b>
<b>Support Services Central Services:</b>						
Salaries	11-000-251-100	136,826	(2,354)	134,472	130,461	4,011
Purchased Technical Services	11-000-251-340	7,500	1,000	8,500	7,500	1,000
Travel	11-000-251-580	900	-	900	629	271
Supplies and Materials	11-000-251-600	2,000	(1,400)	600	111	489
Miscellaneous Expenditures	11-000-251-890	7,500	(825)	6,675	6,455	220
<b>Total Support Services Central Services</b>		<b>154,726</b>	<b>(3,579)</b>	<b>151,147</b>	<b>145,156</b>	<b>5,991</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Required Maintenance for School Facilities</b>						
Salaries	11-000-261-100	108,830	(22,289)	86,541	83,841	2,700
Cleaning, Repair & Maintenance Services	11-000-261-420	92,640	11,568	104,208	75,873	28,335
Lead Testing of Drinking Water	11-000-261-421	950	-	950	-	950
General Supplies	11-000-261-610	10,400	(265)	10,135	7,686	2,449
Other Objects	11-000-261-800	1,565	(35)	1,530	835	695
<b>Total Required Maintenance for School Facilities</b>		<b>214,385</b>	<b>(11,021)</b>	<b>203,364</b>	<b>168,235</b>	<b>35,129</b>
<b>Custodial Services:</b>						
Salaries	11-000-262-100	96,291	2,799	99,090	98,677	413
Salaries of Non-Instructional Aides	11-000-262-107	16,372	8,842	25,214	24,097	1,117
Insurance	11-000-262-520	12,893	-	12,893	12,893	-
General Supplies	11-000-262-610	15,000	(4,249)	10,751	10,733	18
Energy (Natural Gas)	11-000-262-621	40,350	(10,234)	30,116	23,029	7,087
Energy (Electricity)	11-000-262-622	70,425	-	70,425	61,301	9,124
Other Objects	11-000-262-800	400	-	400	-	400
<b>Total Custodial Services</b>		<b>251,731</b>	<b>(2,842)</b>	<b>248,889</b>	<b>230,730</b>	<b>18,159</b>
<b>Security</b>						
Salaries	11-000-266-100	7,125	(2,875)	4,250	2,125	2,125
Purchased Professional & Technical Services	11-000-266-300	650	-	650	650	-
<b>Total Security</b>		<b>7,775</b>	<b>(2,875)</b>	<b>4,900</b>	<b>2,775</b>	<b>2,125</b>
<b>Total Operation &amp; Maintenance of Plant Services</b>		<b>473,891</b>	<b>(16,738)</b>	<b>457,153</b>	<b>401,740</b>	<b>55,413</b>
<b>Student Transportation Services:</b>						
Salaries of Non-instructional Aides	11-000-270-107	11,400	(617)	10,783	10,429	354
Salaries - (Between Home & School) - Regular	11-000-270-160	7,125	(2,875)	4,250	2,125	2,125
Salaries - (Between Home & School) - Special Ed.	11-000-270-161	5,200	(3,956)	1,244	1,236	8
Cleaning, Repair & Maintenance Services	11-000-270-420	1,750	-	1,750	380	1,370
Lease Purchase Payments - School Buses	11-000-270-443	58,113	(9,086)	49,027	13,059	35,968
Aid in Lieu of Payments - Nonpublic	11-000-270-503	9,000	-	9,000	5,150	3,850
Contracted Services -Between Home & School- Vendors	11-000-270-512	5,000	-	5,000	4,760	240
Contracted Services -Between Home & School- Joint Agreements	11-000-270-513	141,000	29,840	170,840	170,840	-
Contracted Services -Special Education- Joint Agreements	11-000-270-515	11,200	2,235	13,435	13,435	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	2,735	-	2,735	2,735	-
Transportation Supplies	11-000-270-615	4,000	(1,271)	2,729	2,729	-
Miscellaneous Expenditures	11-000-270-800	100	-	100	50	50
<b>Total Student Transportation Services</b>		<b>256,623</b>	<b>14,270</b>	<b>270,893</b>	<b>226,928</b>	<b>43,965</b>
<b>Unallocated Benefits - Employee Benefits</b>						
Group Insurance	11-100-291-210	1,110	-	1,110	589	521
Social Security Contributions	11-100-291-220	64,045	-	64,045	64,002	43
Other Retirement Contributions - PERS	11-100-291-241	65,020	14,968	79,988	77,281	2,707
Other Retirement Contributions - Regular	11-100-291-249	2,700	-	2,700	2,235	465
Workmen's Compensation	11-100-291-260	18,435	-	18,435	18,432	3
Health Benefits	11-100-291-270	810,471	(15,043)	795,428	680,491	114,937
Tuition Reimbursement	11-100-291-280	15,000	(3,697)	11,303	2,071	9,232
Other Employee Benefits	11-100-291-290	91,426	(427)	90,999	81,669	9,330
Unused Sick Payment to Terminated/Retired Staff	11-100-291-299	30,000	(4,019)	25,981	25,981	-
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>1,098,207</b>	<b>(8,218)</b>	<b>1,089,989</b>	<b>952,751</b>	<b>137,238</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ACCOUNT NUMBERS	JUNE 30, 2019			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Nonbudgeted:					
On-Behalf TPAF Pension Contribution	-	-	-	397,434	(397,434)
On-Behalf TPAF Post-Retirement Medical Contributions	-	-	-	180,275	(180,275)
On-Behalf TPAF Long-Term Disability Insurance Contributions	-	-	-	202	(202)
Reimbursed TPAF Social Security Contributions	-	-	-	136,123	(136,123)
Total Undistributed Expenditures	2,836,412	23,982	2,860,394	3,315,196	(454,802)
Total Expenditures - Current Expense	4,829,211	(91,185)	4,738,026	5,107,440	(369,414)
Capital Outlay:					
Interest Deposit to Capital Reserve	10-604	150	-	150	-
Interest Earned on Maintenance Reserve	10-606	150	-	150	-
Equipment:					
Undistributed Expenditures - Required Maintenance for School Facilities	12-000-261-730	-	13,301	13,301	-
Total Equipment		300	13,301	13,601	-
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
Assets Acquired Under Capital Leases (Non-Budgeted):					
Capital Leases (Non-Budgeted)		-	-	-	58,113
Total Assets Acquired Under Capital Leases (Non-Budgeted)		-	-	-	58,113
Total Capital Outlay		1,675	13,301	14,976	59,488
Total Expenditures		4,830,886	(77,884)	4,753,002	5,166,928
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(303,255)	-	(303,255)	38,279
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)		-	-	-	58,113
Total Other Financing Sources/(Uses)		-	-	-	58,113
Excess/(Deficiency) of Revenues and Expenditures and Other Financing Sources/(Uses)		(303,255)	-	(303,255)	96,392
Fund Balances, July 1		1,186,806	-	1,186,806	1,186,806
Fund Balances, June 30		\$ 883,551	\$ -	\$ 883,551	\$ 1,283,198

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:	
Capital Reserve	\$ 66,286
Maintenance Reserve	206,299
Emergency Reserve	100,000
Excess Surplus	315,000
Excess Surplus Designated for Subsequent Year's Expenditures	313,197
Assigned Fund Balance:	
Year-end Encumbrances	29,226
Designated for Subsequent Year's Expenditures	2,030
Unassigned Fund Balance	251,160
Subtotal	1,283,198
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payment Not Recognized on GAAP Basis	(108,699)
Fund Balance per Governmental Funds (GAAP)	\$ 1,174,499

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
Local Sources	2,500	-	2,500	2,500	-
Federal Sources	94,645	75,480	170,125	147,439	(22,686)
<b>Total Revenues</b>	<b>97,145</b>	<b>75,480</b>	<b>172,625</b>	<b>149,939</b>	<b>(22,686)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	14,981	13,857	28,838	28,838	-
Purchased Professional/Educational Services	24,690	2,836	27,526	16,697	10,829
Tuition	38,474	769	39,243	39,243	-
General Supplies	2,500	-	2,500	2,500	-
<b>Total Instruction</b>	<b>80,645</b>	<b>17,462</b>	<b>98,107</b>	<b>87,278</b>	<b>10,829</b>
Support Services:					
Employee Benefits	-	8,940	8,940	8,926	14
Purchased Professional/Technical Services	2,500	33,241	35,741	27,559	8,182
Other Purchased Services	14,000	5,837	19,837	19,220	617
Supplies	-	10,000	10,000	6,956	3,044
<b>Total Support Services</b>	<b>16,500</b>	<b>58,018</b>	<b>74,518</b>	<b>62,661</b>	<b>11,857</b>
<b>Total Expenditures</b>	<b>97,145</b>	<b>75,480</b>	<b>172,625</b>	<b>149,939</b>	<b>22,686</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**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, 2019**

**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)	\$ 5,205,207	\$ 149,939
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	114,193	-
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)	(108,699)	-
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue I recognized.	-	(2,500)
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 5,210,701</u>	<u>\$ 147,439</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,166,928	\$ 149,939
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.	-	(2,500)
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 5,166,928</u>	<u>\$ 147,439</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 SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0031116600%	0.0055342591%	0.0061432775%	0.0061084166%	0.0053109857%	0.0058240464%
School District's proportionate share of the net pension liability	\$ 1,393,143	\$ 1,288,287	\$ 1,819,463	\$ 1,371,217	\$ 994,362	\$ 1,113,091
School District's covered payroll	\$ 321,416	\$ 414,717	\$ 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	433.44%	310.64%	471.59%	332.00%	235.80%	290.39%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	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 SIX FISCAL YEARS**

	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 43,502	\$ 70,379	\$ 51,269	\$ 54,576	\$ 52,516	\$ 43,783
Contributions in relation to the contractually required contribution	(43,502)	(70,379)	(51,269)	(54,576)	(52,516)	(43,783)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 260,319	\$ 321,416	\$ 414,717	\$ 385,814	\$ 413,022	\$ 421,694
Contributions as a percentage of covered payroll	16.71%	21.90%	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 SIX FISCAL YEARS\***

	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	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	12,488,797	13,379,643	16,241,884	13,399,076	11,452,856	8,967,397
School District's covered payroll	\$ 12,488,797	\$ 13,379,643	\$ 16,241,884	\$ 13,399,076	\$ 11,452,856	\$ 8,967,397
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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	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.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)**  
**LAST TWO FISCAL YEARS\***

	2019	2018
<b>District's Total OPEB Liability</b>		
Service Cost	\$ 404,750	\$ 489,468
Interest Cost	500,957	434,897
Difference between Expected & Actual	(1,566,775)	-
Changes of Assumptions	(1,315,405)	(1,805,034)
Contributions: Member	10,593	11,715
Gross Benefit Payments	(306,509)	(318,134)
Net Change in District's Total OPEB Liability	(2,272,389)	(1,187,088)
District's Total OPEB Liability (Beginning)	13,735,110	14,922,198
District's Total OPEB Liability (Ending)	<u>\$ 11,462,721</u>	<u>\$ 13,735,110</u>
District's Covered Employee Payroll	\$ 2,379,607	\$ 2,500,599
District's Net OPEB Liability as a Percentage of Payroll	482%	549%

Note - 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.

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**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, 2019**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 4.25% as of June 30, 2017, to 4.86% as of June 30, 2018.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.00% as of June 30, 2017, to 5.66% as of June 30, 2018.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018.

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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, 2019**

	FEDERAL PROGRAMS							TOTALS
	LOCAL PROGRAMS	TITLE I	TITLE IIA	TITLE IVA	REAP	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	
<b>Revenues:</b>								
Local Sources	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Federal Sources	-	41,388	7,591	6,956	29,249	4,215	58,040	147,439
<b>Total Revenues</b>	<b>\$ 2,500</b>	<b>\$ 41,388</b>	<b>\$ 7,591</b>	<b>\$ 6,956</b>	<b>\$ 29,249</b>	<b>\$ 4,215</b>	<b>\$ 58,040</b>	<b>\$ 149,939</b>
<b>Expenditures:</b>								
Instruction:								
Salaries	\$ -	\$ 28,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,838
Purchased Professional - Educational Services	-	-	-	-	-	-	16,697	16,697
Tuition	-	-	-	-	-	-	39,243	39,243
General Supplies	2,500	-	-	-	-	-	-	2,500
<b>Total Instruction</b>	<b>2,500</b>	<b>28,838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,940</b>	<b>87,278</b>
Support Services:								
Employee Benefits	-	8,926	-	-	-	-	-	8,926
Purchased Professional - Technical Services	-	-	7,591	-	13,653	4,215	2,100	27,559
Other Purchased Services	-	3,624	-	-	15,596	-	-	19,220
Supplies	-	-	-	6,956	-	-	-	6,956
<b>Total Support Services</b>	<b>-</b>	<b>12,550</b>	<b>7,591</b>	<b>6,956</b>	<b>29,249</b>	<b>4,215</b>	<b>2,100</b>	<b>62,661</b>
<b>Total Expenditures</b>	<b>\$ 2,500</b>	<b>\$ 41,388</b>	<b>\$ 7,591</b>	<b>\$ 6,956</b>	<b>\$ 29,249</b>	<b>\$ 4,215</b>	<b>\$ 58,040</b>	<b>\$ 149,939</b>

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F. Capital Projects Fund

Not Applicable

## G. Proprietary Funds

Enterprise Funds

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

Internal Service Fund

Not Applicable



## H. Fiduciary Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

ASSETS	PRIVATE PURPOSE		AGENCY FUNDS		2019
	UNEMPLOYMENT COMPENSATION INSURANCE	STUDENT ACTIVITY	PAYROLL		
Assets:					
Cash & Cash Equivalents	\$ 49,513	\$ 21,563	\$ 7,295	\$	78,371
Total Assets	49,513	21,563	7,295		78,371
LIABILITIES					
Liabilities:					
Due to Employees	-	-	2,662		2,662
Payroll Deductions & Withholdings	-	-	4,633		4,633
Due to Student Groups	-	21,563	-		21,563
Total Liabilities	-	21,563	7,295		28,858
NET POSITION					
Reserved	49,513	-	-		49,513
Total Net Position	\$ 49,513	\$ -	\$ -	\$	49,513

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2019**

	<u>PRIVATE PURPOSE</u> UNEMPLOYMENT COMPENSATION INSURANCE
Additions:	
Local Sources:	
Employee Salary Deductions	\$ 6,634
Total Operating Revenues	<u>6,634</u>
Other Sources:	
Interest on Investments	<u>114</u>
Total Additions	<u>6,748</u>
Deductions:	
Unemployment Compensation Insurance Claims	<u>722</u>
Change in Net Position	6,026
Net Position, July 1	<u>43,487</u>
Net Position, June 30	<u><u>\$ 49,513</u></u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BALANCE JULY 1, 2018	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2019
Elementary School	\$ 21,511	\$ 26,194	\$ 26,142	\$ 21,563
Total Student Activity	<u>\$ 21,511</u>	<u>\$ 26,194</u>	<u>\$ 26,142</u>	<u>\$ 21,563</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS	BALANCE JULY 1, 2018	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2019
Cash & Cash Equivalents	\$ 10,991	\$ 3,019,269	\$ 3,022,965	\$ 7,295
Total Assets	<u>\$ 10,991</u>	<u>\$ 3,019,269</u>	<u>\$ 3,022,965</u>	<u>\$ 7,295</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 9,197	\$ 1,319,561	\$ 1,324,125	\$ 4,633
Due to Employees	1,794	1,583	715	2,662
Net Payroll	-	1,698,125	1,698,125	-
Total Liabilities	<u>\$ 10,991</u>	<u>\$ 3,019,269</u>	<u>\$ 3,022,965</u>	<u>\$ 7,295</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, 2019**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2018	ISSUED	RETIRED	BALANCE JUNE 30, 2019
General Obligation Bonds	7/15/15	\$ 4,104,000	7/15/2019	\$ 155,000	3.000%	\$ 3,955,000	\$ -	\$ 155,000	\$ 3,800,000
			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						\$ 3,955,000	\$ -	\$ 155,000	\$ 3,800,000

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

DESCRIPTION	DATE OF LEASE	TERM OF LEASE (IN MONTHS)	AMOUNT OF ORIGINAL ISSUE		BALANCE JULY 1, 2018	ISSUED	RETIRED	BALANCE JUNE 30, 2019
			PRINCIPAL	INTEREST				
School Buse	8/1/2018	48	\$ 58,113	4.80%	\$ -	\$ 58,113	\$ 12,809	\$ 45,304
Total					\$ -	\$ 58,113	\$ 12,809	\$ 45,304

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 288,569	\$ -	\$ 288,569	\$ 288,569	\$ -
Miscellaneous	-	-	-	753	753
Total Revenues	288,569	-	288,569	289,322	753
Expenditures:					
Regular Debt Service:					
Interest	288,569	(155,000)	133,569	133,569	-
Redemption of Principal	-	155,000	155,000	155,000	-
Total Expenditures	288,569	-	288,569	288,569	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	753	753
Fund Balance, July 1	296,937	-	296,937	296,937	-
Fund Balance, June 30	\$ 296,937	\$ -	\$ 296,937	\$ 297,690	\$ 753

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**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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 2,628,292	\$ 2,736,490	\$ 3,317,201	\$ (1,194,454)	\$ 1,820,267	\$ 1,696,128	\$ 1,277,779	\$ 1,304,792	\$ 1,349,913	\$ 1,225,052
Restricted	1,298,472	1,231,713	1,157,276	4,012,860	441,996	570,503	1,170,413	970,263	590,789	435,307
Unrestricted	(1,641,651)	(1,550,974)	(1,330,285)	(1,270,502)	(1,082,174)	534	3,384	49,123	34,221	836
<b>Total Governmental Activities</b>	<b>\$ 2,285,113</b>	<b>\$ 2,417,229</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>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,182	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	8,182	8,182	-	-	-
Unrestricted	4,349	8,179	7,664	3,296	4,331	1,761	9,004	22,632	26,365	26,522
<b>Total Business-Type Activities</b>	<b>\$ 4,349</b>	<b>\$ 8,179</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>District-Wide:</b>										
Net Investment in Capital Assets	\$ 2,628,292	\$ 2,736,490	\$ 3,317,201	\$ (1,194,454)	\$ 1,820,267	\$ 1,696,128	\$ 1,277,779	\$ 1,304,792	\$ 1,349,913	\$ 1,225,052
Restricted	1,298,472	1,231,713	1,157,276	4,012,860	441,996	578,685	1,178,595	970,263	590,789	435,307
Unrestricted	(1,637,302)	(1,542,795)	(1,322,621)	(1,267,206)	(1,077,843)	2,295	12,388	71,755	60,586	27,358
<b>Total District Net Position</b>	<b>\$ 2,289,462</b>	<b>\$ 2,425,408</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>

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 1,333,927	\$ 1,438,601	\$ 1,466,239	\$ 2,522,903	\$ 2,504,017	\$ 1,618,553	\$ 1,504,738	\$ 1,311,226	\$ 1,268,836	\$ 1,317,272
Special	474,254	505,076	574,401	313,432	313,019	343,736	385,391	477,967	475,580	394,542
Other	68,841	153,373	162,621	146,232	139,606	173,235	172,918	164,925	146,136	148,415
<b>Support Services:</b>										
Tuition	9,143	496	29,360	55,332	96	96,541	53,729	78,320	44,200	55,822
Student & Instruction Related Services	695,217	649,994	670,694	643,098	762,829	620,787	489,041	440,669	471,046	579,310
General & Business Administrative Services:	223,962	203,125	200,400	185,337	247,127	209,148	172,637	325,642	330,601	366,561
School Administrative Services	-	-	-	71,450	64,252	54,683	89,791	84,495	76,640	95,263
Central Services	145,156	152,718	122,642	115,386	144,495	137,429	138,809	-	-	-
Plant Operations & Maintenance	401,740	380,568	377,560	379,718	466,735	373,720	357,175	365,186	331,962	421,006
Pupil Transportation	226,928	194,294	186,430	186,573	179,824	213,925	224,878	231,208	271,823	276,091
Business & Other Support Services										
Unallocated Benefits	1,372,972	2,717,013	1,638,409	1,046,753	915,890	1,300,987	1,334,755	1,174,909	1,066,296	1,079,529
On-Behalf TPAF & Soc. Sec. Contributions	864,176	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	8,026	8,139	10,652	10,027
Interest on Long-Term Debt	132,813	137,455	147,587	128,667	-	-	-	-	8,858	16,642
Unallocated Depreciation	363,951	954,138	76,082	76,081	69,162	168,860	28,388	45,010	56,123	45,237
<b>Total Governmental Activities Expense:</b>	<b>6,313,080</b>	<b>7,486,851</b>	<b>5,652,425</b>	<b>5,870,962</b>	<b>5,807,052</b>	<b>5,311,604</b>	<b>4,960,276</b>	<b>4,707,696</b>	<b>4,558,753</b>	<b>4,805,717</b>
<b>Business-Type Activities:</b>										
Food Service	66,634	70,065	85,710	114,738	98,373	101,495	111,768	112,339	101,400	119,283
Summer Camp	6,180	-	-	-	-	-	-	-	-	-



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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Business-Type Activities Expense	72,814	70,065	85,710	114,738	98,373	101,495	111,768	112,339	101,400	119,283
Total District Expenses	\$ 6,385,894	\$ 7,556,916	\$ 5,738,135	\$ 5,985,700	\$ 5,905,425	\$ 5,413,099	\$ 5,072,044	\$ 4,820,035	\$ 4,660,153	\$ 4,925,000
Revenues:										
Operating Grants & Contributions	\$ 1,394,975	\$ 1,956,174	\$ 1,287,787	\$ 1,087,399	\$ 1,082,973	\$128,055	\$ 158,692	\$ 485,490	\$ 444,530	\$ 548,946
Total Governmental Activities Program Revenues	1,394,975	1,956,174	1,287,787	1,087,399	1,082,973	128,055	158,692	485,490	444,530	548,946
Business-Type Activities: Charges for Services:										
Food Service	38,504	40,976	52,439	58,952	59,042	61,914	68,503	83,836	79,556	81,596
	7,075	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions	23,371	29,558	37,611	39,721	33,712	32,324	29,622	24,763	21,467	27,973
Total Business Type Activities Program Revenues	68,950	70,534	90,050	98,673	92,754	94,238	98,125	108,599	101,023	109,569
Total District Program Revenues	\$ 1,463,925	\$ 2,026,708	\$ 1,377,837	\$ 1,186,072	\$ 1,175,727	\$ 222,293	\$ 256,817	\$ 594,089	\$ 545,553	\$ 658,515

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Net/(Expense)/Revenue:</b>										
Governmental Activities	\$ (4,918,105)	\$ (5,530,677)	\$ (4,364,638)	\$ (4,783,563)	\$ (4,724,079)	\$ (5,183,549)	\$ (4,801,584)	\$ (4,222,206)	\$ (4,114,223)	\$ (4,256,771)
Business-Type Activities	(3,864)	469	4,340	(16,065)	(5,619)	(7,257)	(13,643)	(3,740)	(377)	(9,714)
<b>Total District-Wide Net Expense</b>	<b>\$ (4,921,969)</b>	<b>\$ (5,530,208)</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>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
County Appropriations	\$ 3,550,782	\$ 3,542,964	\$ 3,451,384	\$ 3,472,249	\$ 3,450,249	\$ 3,382,597	\$ 3,316,272	\$ 3,251,247	\$ 3,230,096	\$ 3,161,544
Unrestricted Grants & Contributions	1,149,388	1,197,873	2,439,288	1,630,056	1,268,361	1,595,786	1,612,938	1,250,119	1,146,654	1,123,709
Tuition Received	47,248	61,171	60,472	31,925	-	-	-	-	-	-
Investment Earnings	-	-	1,774	76	40	252	125	84	836	881
Miscellaneous Income	38,571	79,399	8,008	32,072	31,444	20,503	18,370	65,455	50,365	82,926
Other Financing Sources - Transfers, Miscellaneous / Other	-	(77,693)	-	(15,000)	-	-	-	4,556	-	-
<b>Total Governmental Activities</b>	<b>4,785,989</b>	<b>4,803,714</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>
Business-type Activities	34	46	28	15,030	7	14	15	7	220	298
<b>Total District-Wide</b>	<b>\$ 4,786,023</b>	<b>\$ 4,803,760</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>Change in Net Position:</b>										
Governmental Activities	\$ (132,116)	\$ (726,963)	\$ 1,596,288	\$ 367,815	\$ 26,015	\$ (184,411)	\$ 146,121	\$ 349,255	\$ 313,728	\$ 112,289
Business-Type Activities	(3,830)	515	4,368	(1,035)	(5,612)	(7,243)	(13,628)	(3,733)	(157)	(9,416)
<b>Total District</b>	<b>\$ (135,946)</b>	<b>\$ (726,448)</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>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted for:										
Capital Reserve	\$ 66,286	\$ 66,121	\$ 65,956	\$ 65,736	\$ 65,660	\$ 40,620	\$ 539,618	\$ 289,493	\$ 89,409	\$ 88,573
Maintenance Reserve	206,299	152,203	101,948	101,800	26,800	26,800	10,000	10,000	10,000	10,000
Maintenance Reserve - Designated for Subs. Year's Expenditures	-	50,000	-	-	-	-	-	-	-	-
Emergency Reserve	100,000	100,000	-	-	-	-	-	-	-	-
Excess Surplus	315,000	313,197	253,255	212,786	32,669	92,174	139,565	396,937	216,124	139,913
Excess Surplus Designated for Subsequent Year's Expenditures	313,197	253,255	212,786	83,047	92,174	139,565	396,937	-	-	-
Assigned for:										
Year-end Encumbrances	29,226	-	9,952	3,835	253,050	163,972	84,293	5,249	-	-
Subsequent Year's Budget	2,030	-	2,262	283,372	-	107,372	-	249,861	275,256	196,821
Unassigned	142,461	137,837	133,926	135,717	181,602	131,944	140,151	142,469	149,373	128,931
Total General Fund	\$ 1,174,499	\$ 1,072,613	\$ 780,085	\$ 886,293	\$ 651,955	\$ 702,447	\$ 1,310,564	\$ 1,094,009	\$ 740,162	\$ 564,238
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,723	\$ -	\$ -
Capital Projects Fund	-	-	516,044	3,262,284	(78,735)	-	-	-	-	-
Debt Service Fund	297,690	296,937	7,287	5,733	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 297,690	\$ 296,937	\$ 523,331	\$ 3,268,017	\$ (78,735)	\$ -	\$ -	\$ 18,723	\$ -	\$ -

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues:</b>										
Tax Levy	\$ 3,550,782	\$ 3,542,964	\$ 3,451,384	\$ 3,472,249	\$ 3,450,249	\$ 3,382,597	\$ 3,316,272	\$ 3,251,247	\$ 3,230,096	\$ 3,161,544
Tuition Charges	47,248	61,171	60,472	31,925	-	-	-	-	-	-
Interest Earnings - Capital & Maint. Res.	300	718	1,774	76	40	125	84	84	836	881
Miscellaneous	38,271	78,681	8,008	31,903	31,444	20,503	18,370	65,455	50,365	82,926
State Sources	1,863,422	1,830,951	3,614,802	2,143,558	1,713,696	1,596,326	1,613,504	1,553,566	1,470,509	1,340,066
Federal Sources	147,439	159,682	112,273	117,901	135,980	127,515	158,126	182,043	120,675	332,589
<b>Total Revenue</b>	<b>5,647,462</b>	<b>5,674,167</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>Expenditures:</b>										
Instruction:										
Regular Instruction	1,333,927	1,438,601	1,466,239	2,522,903	2,504,017	1,618,553	1,504,738	1,329,375	1,281,391	1,315,671
Special Education Instruction	474,254	505,076	574,401	313,432	313,019	343,736	385,391	477,967	475,580	394,542
Other Instruction	68,841	153,373	162,621	146,232	139,606	173,235	172,918	164,925	146,136	148,415
Support Services:										
Tuition	9,143	496	29,360	55,332	96	96,541	53,729	78,320	44,200	55,822
Student & Instruction Related Services	695,217	649,994	670,694	643,098	762,829	620,787	489,041	440,669	471,046	579,310
General & Business Administration Services	223,962	203,125	200,400	183,962	245,752	207,773	172,637	323,480	330,601	364,375
School Administrative Services	-	-	-	71,450	64,252	54,683	89,791	84,495	76,640	95,263
Central Services	145,156	152,718	122,642	115,386	144,495	137,429	138,809	-	-	-
Plant Operations & Maintenance	401,740	380,568	377,560	372,350	466,735	373,720	357,175	359,747	331,962	373,595
Pupil Transportation	226,928	194,294	186,430	186,573	179,824	213,925	224,878	231,208	271,823	274,608
Other Support Services	961,677	903,024	948,482	520,870	445,335	1,306,344	1,291,334	1,174,909	1,066,296	1,079,529
On-Behalf TPAF Pension & Soc. Sec. Contr.	714,034	633,078	561,120	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	1,375	8,139	10,652	10,027
Capital Outlay	58,113	27,490	4,587,737	1,174,103	194,676	588,584	8,026	6,591	1,743	45,230
Debt Service:										
Principal	155,000	149,000	-	-	-	-	-	-	179,000	180,000
Interest & Other Charges	134,944	139,503	211,921	-	-	-	-	-	9,487	19,027
<b>Total Expenditures</b>	<b>5,602,936</b>	<b>5,530,340</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>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>44,526</b>	<b>143,827</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>Other Financing Sources/(Uses):</b>										
Bond & Lease Proceeds	58,113	-	-	4,104,169	-	-	-	-	-	-
Prior Year Receivables Cancelled	-	(77,693)	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(15,000)	-	-	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>58,113</b>	<b>(77,693)</b>	<b>-</b>	<b>4,089,169</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 102,639</b>	<b>\$ 66,134</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>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.23%</b>	<b>5.24%</b>	<b>0.00%</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>

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 CANCELLED	ENERGY AUDIT	TUITION	MISCELLANEOUS	TOTAL
2019	\$ 3,395	\$ -	\$ 27,944	\$ -	\$ -	\$ -	6,179	\$ 37,518
2018	1,995	-	975	-	-	42,658	26,053	71,681
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

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 <sup>b</sup>	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2019	8,545,600	281,147,900	48,502,700	7,016,500	39,600,630	384,813,330	919,229	385,732,559	42,208,250	0.882	422,641,962
2018	8,363,000	279,399,200	50,542,200	7,245,940	39,591,530	385,141,870	915,705	386,057,575	41,320,750	0.920	426,648,955
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

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	
2019	0.882	N/A	0.882	0.673	0.989	0.437	2.981
2018	0.920	N/A	0.920	0.623	0.993	0.443	2.979
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

Source: Burlington County Board of Taxation

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

TAXPAYER	2019		
	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	2010		
	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	
2019	\$ 3,550,782	\$ 3,550,782	100.00%	-
2018	3,542,964	\$ 3,542,964	100.00%	-
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%	-

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 YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES				
2019	\$ 3,800,000	\$ 45,304	\$	3,845,304	N/A	N/A
2018	3,955,000	-		3,955,000	N/A	1,210
2017	4,104,000	-		4,104,000	2.10%	1,253
2016	4,104,000	-		4,104,000	2.17%	1,244
2015	-	-		-	0.00%	0
2014	-	-		-	0.00%	0
2013	-	-		-	0.00%	0
2012	-	-		-	0.00%	0
2011	-	-		-	0.00%	0
2010	179,000	-		179,000	0.11%	53

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2019	\$ 3,800,000	\$ -		\$ 3,800,000	0.99%	N/A
2018	3,955,000	-		3,955,000	1.02%	1,210
2017	4,104,000	-		4,104,000	1.07%	1,253
2016	4,104,000	-		4,104,000	1.07%	1,244
2015	-	-		-	0.00%	0
2014	-	-		-	0.00%	0
2013	-	-		-	0.00%	0
2012	-	-		-	0.00%	0
2011	-	-		-	0.00%	0
2010	179,000	-		179,000	0.04%	53

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2019**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Springfield	\$ 8,540,000	100.000%	\$ 8,540,000
Burlington County General Obligation Debt	253,458,314	0.896%	2,271,437
Northern Burlington County Regional School District	50,037,606	14.836%	7,423,516
Subtotal, Overlapping Debt			18,234,953
Springfield Township School District Direct Debt			3,800,000
Total Direct & Overlapping Debt			<u>\$ 22,034,953</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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 10,521,604	\$ 10,359,200	\$ 10,114,141	\$ 9,945,272	\$ 10,028,456	\$ 10,299,429	\$ 10,799,601	\$ 9,467,104	\$ 9,963,209	\$ 10,119,278
Total Net Debt Applicable to Limit	3,800,000	3,955,000	4,104,000	4,104,000	-	-	-	-	-	179,000
Legal Debt Margin	\$ 6,721,604	\$ 6,404,200	\$ 6,010,141	\$ 5,841,272	\$ 10,028,456	\$ 10,299,429	\$ 10,799,601	\$ 9,467,104	\$ 9,963,209	\$ 9,940,278
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.12%	38.18%	40.58%	41.27%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%

**Legal Debt Margin Calculation for Fiscal Year 2018**

	Equalized Valuation Basis
	2018 \$ 420,598,635
	2017 423,385,030
	2016 418,608,815
	<u>\$ 1,262,592,480</u>
Average Equalized Valuation of Taxable Property	<u>\$ 420,864,160</u>
Debt Limit (2.5 % of Average Equalization Value)	\$ 10,521,604
Net Bonded School Debt	<u>3,800,000</u>
Legal Debt Margin	<u>\$ 6,721,604</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 6 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)
2018	3,268	Unavailable	Unavailable	3.9%
2017	3,275	195,383,225	59,659	3.4%
2016	3,298	189,532,762	57,469	3.8%
2015	3,321	186,042,420	56,020	5.1%
2014	3,355	179,455,595	53,489	6.0%
2013	3,369	173,490,024	51,496	6.1%
2012	3,392	173,066,624	51,022	8.9%
2011	3,396	169,701,516	49,971	8.5%
2010	3,400	164,475,000	48,375	8.8%
2009	3,454	164,517,474	47,631	8.3%

**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**

	2019		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Springfield Township School District	<b>INFORMATION NOT AVAILABLE</b>		
Total			

	2010		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Springfield Township School District	<b>INFORMATION NOT AVAILABLE</b>		
Total			

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

FUNCTION/PROGRAM	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:										
Regular	17.60	18.90	19.30	19.40	32.95	32.95	32.65	23.30	24.30	22.60
Special Education	6.00	12.46	12.16	12.94	-	-	-	5.00	8.30	5.00
Other Special Education	2.00	-	-	1.67	-	-	-	8.30	5.00	8.50
Other Instruction	1.00	-	-	0.33	-	-	-	-	-	-
Support Services:										
Student & Instructional Related Services	4.50	7.00	7.00	7.63	5.80	5.80	5.80	3.30	3.30	5.40
School Administration Services	2.25	-	-	-	2.40	2.40	1.90	2.40	3.40	2.30
General & Business Administrative Services	2.00	2.10	2.10	1.83	1.70	1.70	1.70	2.80	0.80	0.60
Plant Operations & Maintenance	3.50	4.30	4.30	4.99	4.10	4.10	4.10	4.50	4.50	4.50
Pupil Transportation	0.05	0.05	0.05	0.10	0.90	0.90	0.90	1.00	1.00	1.00
Business & Other Support Services	-	-	-	-	-	-	-	1.60	1.60	1.10
<b>Total</b>	<b>38.90</b>	<b>44.81</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>

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
2019	230	5,107,440	22,206	-3.22%	29	1:8	226.6	217.3	4.62%	95.90%
2018	220	5,047,665	22,944	5.70%	29	1:7	216.6	206.0	-8.53%	95.11%
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	-0.04%	32	1:9	299.8	287.8	-2.85%	96.00%

Source: District Records

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

DISTRICT BUILDINGS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	432	432	433	433	432
Enrollment	230	220	239	227	239	251	265	287	290	300
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, 2019:  
 Elementary = 1  
 Other = 1

**Source:** School Year Attendance: Totals for STES in 2017-2018 (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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	TOTAL
* Springfield School	\$ 168,235	\$ 163,831	\$ 150,000	\$ 162,610	\$ 247,137	\$ 163,647	\$ 138,224	\$ 141,774	\$ 140,202	\$ 96,349	\$ 1,572,009

Source: District records

**INSURANCE SCHEDULE  
JUNE 30, 2019**

	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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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, 2019, 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 December 16, 2019.

**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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 16, 2019

**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, 2019. 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, 2019.

## 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.

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.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
December 16, 2019



**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTED/ (CANCELED)	(ACCOUNTS RECEIVABLE) 2019	UNEARNED REVENUE 2019
<b>U.S. Department of Agriculture</b>												
Passed Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
School Breakfast Program	10.553	181NJ304N1099	100-010-3350-028	\$ 3,398	7/1/18-6/30/19	\$ -	\$ 3,204	\$ (3,398)	-	-	\$ (194)	-
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-028	5,022	7/1/17-6/30/18	(252)	252	-	-	-	-	-
Subtotal						(252)	3,456	(3,398)	-	-	(194)	-
National School Lunch Program	10.555	181NJ304N1099	100-010-3350-026	12,385	7/1/18-6/30/19	-	11,635	(12,385)	-	-	(750)	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	18,836	7/1/17-6/30/18	(1,014)	1,014	-	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	181NJ304N1099	Unavailable	8,424	7/1/18-6/30/19	-	8,424	(3,410)	-	-	-	5,014
Food Distribution Program (Noncash Assistance)	10.555	171NJ304N1099	Unavailable	6,442	7/1/17-6/30/18	3,637	-	(3,637)	-	-	-	-
Subtotal						2,623	21,073	(19,432)	-	-	(750)	5,014
Total Child Nutrition Cluster						2,371	24,529	(22,830)	-	-	(944)	5,014
<b>Total U.S. Department of Agriculture</b>						2,371	24,529	(22,830)	-	-	(944)	5,014
<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	H027A180100	100-034-5065-016	69,260	7/1/18-6/30/19	-	54,423	(58,040)	-	-	(3,617)	-
Basic	84.027	H027A170100	100-034-5065-016	70,140	7/1/17-6/30/18	(15,034)	9,976	-	-	-	(5,058)	-
Subtotal						(15,034)	64,399	(58,040)	-	-	(8,675)	-
Preschool	84.173	H173A180114	100-034-5065-020	5,054	7/1/18-6/30/19	-	1,840	(4,215)	-	-	(2,375)	-
Preschool	84.173	H173A170114	100-034-5065-020	5,037	7/1/17-6/30/18	(3,917)	3,917	-	-	-	-	-
Subtotal						(3,917)	5,757	(4,215)	-	-	(2,375)	-
Total Special Education Cluster						(18,951)	70,156	(62,255)	-	-	(11,050)	-
No Child Left Behind (N.C.L.B.):												
Title I - Part A	84.010	S010A180030	100-034-5064-194	41,819	7/1/18-6/30/19	-	27,128	(41,388)	-	-	(14,260)	-
Title I - Part A	84.010	S010A170030	100-034-5064-194	41,776	7/1/17-6/30/18	(25,991)	25,993	-	-	-	-	-
Subtotal						(25,991)	53,121	(41,388)	-	-	(14,260)	2
Title II - Part A, Supporting Effective Instruction	84.367	S367A180029	100-034-5063-290	7,593	7/1/18-6/30/19	-	7,591	(7,591)	-	-	-	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	10,119	7/1/17-6/30/18	(4,065)	2,921	-	-	-	(1,144)	-
Subtotal						(4,065)	10,512	(7,591)	-	-	(1,144)	-
Title IV - Part A	84.424	S424A180031	100-034-5063-348	10,000	7/1/18-6/30/19	-	6,956	(6,956)	-	-	-	-
Rural Education Achievement Program	84.358	S358A181007	Unavailable	28,178	7/1/18-6/30/19	-	21,660	(21,029)	-	-	(2,347)	631
Rural Education Achievement Program	84.358	S358A170030	Unavailable	27,725	7/1/17-6/30/18	-	7,461	(5,114)	-	-	-	-
Rural Education Achievement Program	84.358	S358A160030	Unavailable	4,279	7/1/16-6/30/17	-	-	(3,106)	-	-	3,106	-
Rural Education Achievement Program	84.358	S358A140030	Unavailable	37,112	9/1/10-8/31/11	(36,353)	-	-	-	-	(759)	-
Subtotal						(36,353)	29,121	(29,249)	-	-	(37,112)	631
<b>Total U.S. Department of Education</b>						(85,360)	169,866	(147,439)	-	-	(63,566)	633
<b>Total Expenditures of Federal Awards</b>						\$ (82,989)	\$ 194,395	\$ (170,269)	\$ -	\$ -	\$ (64,510)	\$ 5,647

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

GRANT OR STATE PROJECT NUMBER	STATE GRANTOR/PROGRAM TITLE OR CLUSTER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE JUNE 30, 2019 ACCOUNTS RECEIVABLE	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b><u>New Jersey Department of Education:</u></b>										
General Fund:										
State Aid-Public:										
495-034-5120-078	Equalization Aid	\$ 763,643	7/1/18-6/30/19	\$ -	\$ 763,643	\$ (763,643)	\$ -	\$ -	\$ 72,639	\$ 763,643
495-034-5120-084	Categorical Security Aid	22,357	7/1/18-6/30/19	-	22,357	(22,357)	-	-	2,127	22,357
495-034-5120-085	Adjustment Aid	57,449	7/1/18-6/30/19	-	57,449	(57,449)	-	-	5,465	57,449
495-034-5120-089	Special Education Categorical Aid	159,516	7/1/18-6/30/19	-	159,516	(159,516)	-	-	15,173	159,516
Total State Aid-Public				-	1,002,965	(1,002,965)	-	-	95,404	1,002,965
495-034-5120-014	Categorical Transportation Aid	139,769	7/1/18-6/30/19	-	139,769	(139,769)	-	-	13,295	139,769
495-034-5120-014	Additional Nonpublic School Transportation Aid	1,160	7/1/18-6/30/19	-	-	(1,160)	-	(1,160)	-	1,160
495-034-5120-014	Additional Nonpublic School Transportation Aid	2,262	7/1/17-6/30/18	(2,030)	2,030	-	-	-	-	-
495-034-5094-003	Reimbursed TPAF Social Security Contributions	136,123	7/1/18-6/30/19	-	129,624	(136,123)	-	(6,499)	-	136,123
495-034-5094-003	Reimbursed TPAF Social Security Contributions	158,732	7/1/17-6/30/18	(7,065)	7,065	-	-	-	-	-
495-034-5094-001	TPAF - Post Retirement Medical Contributions (Noncash Assistance)	180,275	7/1/18-6/30/19	-	180,275	(180,275)	-	-	-	180,275
495-034-5094-002	TPAF - Normal Pension Contributions (Noncash Assistance)	397,434	7/1/18-6/30/19	-	397,434	(397,434)	-	-	-	397,434
495-034-5094-004	TPAF - Long-Term Disability Insurance Contributions (Noncash Assistance)	202	7/1/18-6/30/19	-	202	(202)	-	-	-	202
Total General Fund				(9,095)	1,859,364	(1,857,928)	-	(7,659)	108,699	1,857,928
<b><u>New Jersey Department of Agriculture:</u></b>										
Enterprise Fund:										
100-010-3350-023	National School Lunch Program	541	7/1/18-6/30/19	-	507	(541)	-	(34)	-	541
100-010-3350-023	National School Lunch Program	734	7/1/17-6/30/18	(47)	47	-	-	-	-	-
Total Enterprise Fund				(47)	554	(541)	-	(34)	-	541
<b>Total State Financial Assistance</b>				\$ (9,142)	\$ 1,859,918	\$ (1,858,469)	\$ -	\$ (7,693)	\$ 108,699	\$ 1,858,469
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
495-034-5094-001	TPAF - Post-Retirement Medical (Noncash Assistance)	\$ 180,275	7/1/18-6/30/19	-	-	\$ 180,275	-	-	-	\$ 180,275
495-034-5094-002	TPAF - Normal Pension Contributions (Noncash Assistance)	397,434	7/1/18-6/30/19	-	-	397,434	-	-	-	397,434
495-034-5094-004	TPAF - Long-Term Disability Insurance (Noncash Assistance)	202	7/1/18-6/30/19	-	-	202	-	-	-	202
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>						\$ (1,280,558)				\$ (1,280,558)

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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, 2019. 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, 2019.

**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, 2019**

**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 \$5,494 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	\$ -	\$ 1,863,422	\$ 1,863,422
Special Revenue Fund	147,439	-	147,439
Food Service Fund	22,830	541	23,371
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 170,269</u>	<u>\$ 1,863,963</u>	<u>\$ 2,034,232</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, 2019.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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:

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

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, 2019**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs	_____	\$ 750,000
Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no
Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> no
Type of auditor's report issued on compliance for major programs	_____	Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes	_____ <u>X</u> no
Identification of major programs:		

**State Grant/Project Number(s)**

**Name of State Program**

	State Aid-Public Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-089	Special Education Categorical Aid

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**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.

**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**

N/A – Federal single audit not required

**STATE FINANCIAL ASSISTANCE**

None

**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, 2019**

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**

No Prior Year Findings

**Federal Awards**

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

**State Financial Assistance**

No Prior Year Findings