

***THE TOWNSHIP OF SPRINGFIELD
SCHOOL DISTRICT
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020***

**SCHOOL DISTRICT
OF
THE TOWNSHIP OF SPRINGFIELD**

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

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020***

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

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

For the Fiscal Year Ended June 30, 2020

Prepared by

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

STATE BOARD OF EDUCATION

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**Dr. Lamont Repollet, Commissioner of Education
Secretary, State Board of Education**

**THE TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
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INTRODUCTORY SECTION

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

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

November 30, 2020

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

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR), of the Township of Springfield School District for the fiscal year ended June 30, 2020. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District has adopted this financial reporting model as required by the State of New Jersey. This reporting model will provide all users of this document with much more useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The Township of Springfield School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are

included in this report. The Township of Springfield Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, as well as, special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 2,279 students, which is 35 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last twenty-two years.

Average Daily Enrollment		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	2,279	1.55%
2018-19	2,244	0.20%
2017-18	2,238	0.72%
2016-17	2,222	(2.11)%
2015-16	2,270	(1.00)%
2014-15	2,293	(0.78)%
2013-14	2,311	2.67%
2012-13	2,251	3.66%
2011-12	2,172	(0.06)%
2010-11	2,185	(0.32)%
2009-10	2,192	6.12%
2008-09	2,066	0.62%
2007-08	2,055	(0.19)%
2006-07	2,067	(1.34)%
2005-06	2,071	(0.96)%
2004-05	2,091	2.55%
2003-04	2,039	1.69%
2002-03	2,005	4.26%
2001-02	1,923	3.67%
2000-01	1,855	2.49%
1999-00	1,810	1.51%
1998-99	1,783	2.41%
1997-98 *	1,741	37.63%

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

2) ECONOMIC CONDITION AND OUTLOOK: Springfield Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, and enrollment stable, the financial impact has begun to negatively impact the school tax levy pushing it to a higher proportion of the total tax levy. This fiscal year saw an increase of state formula aid after the budget was set, and it is expected to increase based on senate bill S-2 for the next 3 years. While state formula aid is expected to grow, this assumes that enrollment will remain flat or growing during this time span. We monitor enrollment annually through a demographer and in-house reports. This practice will continue to best estimate future state formula aid.

3) MAJOR INITIATIVES: The district continues to work on improving its curriculum. Major efforts were made to expand curricular offerings in K-5 Mystery Science, DRA2 Reading Assessments, SSEP Mission 14, ESL Programs and Project Lead the Way. We have also provided extensive staff development to improve the teaching-learning process - IDE. The district continued its teacher evaluation process and offers a system that will help staff to reflect upon their practice and develop their skills. The district is committed to a differentiated instruction philosophy to promote the academic achievement of all students. In addition to the rigorous instruction taking place in the classroom, the district has begun a number of facility projects that improve our efficiencies and add to our well maintain properties.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting

Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

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

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

9) OTHER INFORMATION:

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

10) ACKNOWLEDGMENTS:

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

Respectfully submitted,

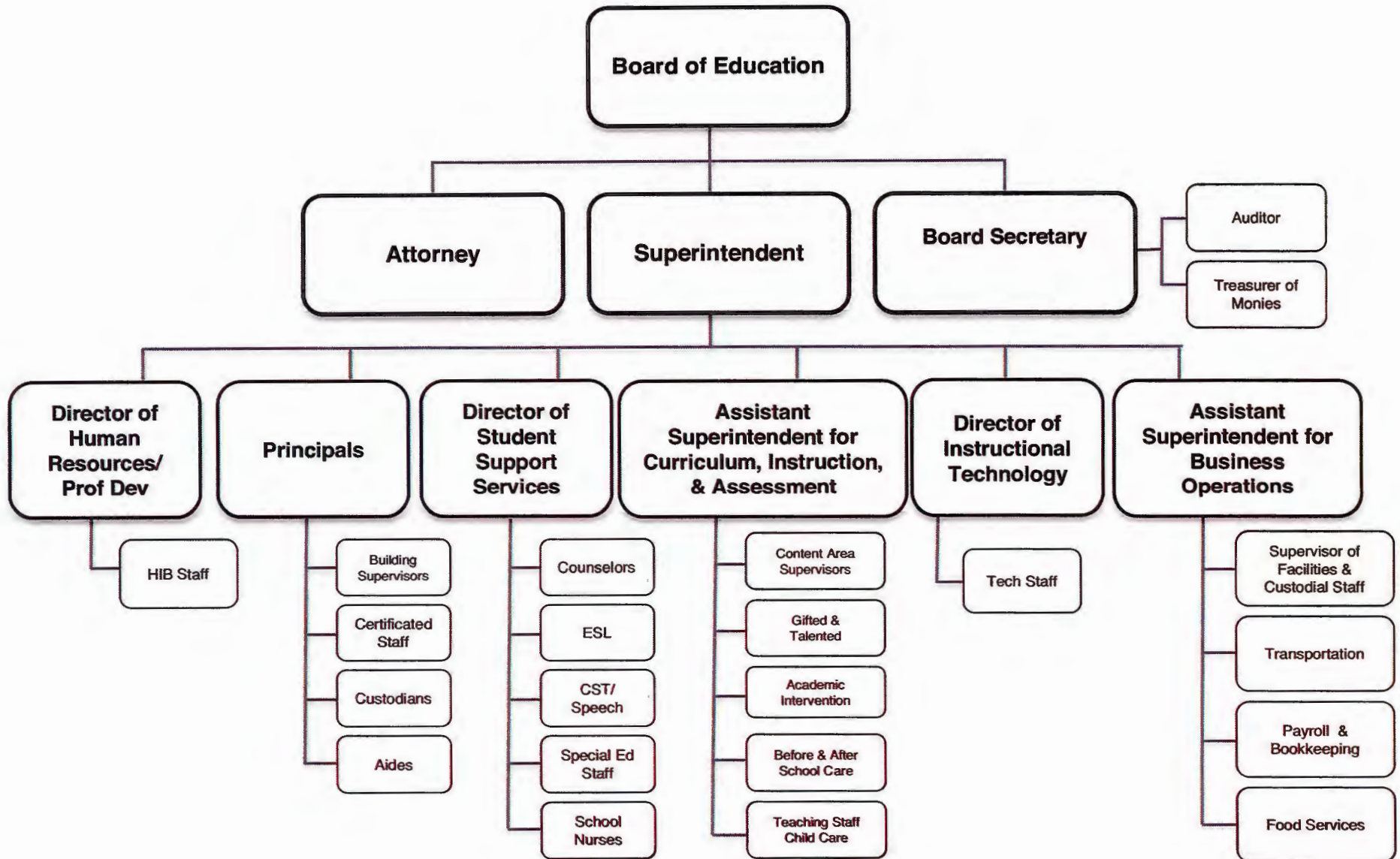
Rachel Goldberg

Matthew A. Clarke

Rachel Goldberg
Superintendent

Matthew A. Clarke
School Business Administrator/
Board Secretary

SPRINGFIELD BOARD OF EDUCATION ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Marc Miller, President	2020
Laura Gamarekian, Vice President	2020
Anthony Delia	2021
Hector Munoz	2021
Meredith Murphy	2022
Kristy Rubin	2020
Paula Saha	2021
Scott Silverstein	2022
Hilary Turnbull	2022
 <u>Other Officials</u>	
Michael Davino, Superintendent	
Matthew A. Clarke, School Business Administrator/Board Secretary	
Manuel Vieira, Treasurer	

THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION
SPRINGFIELD, NEW JERSEY

CONSULTANTS AND ADVISORS
June 30, 2020

Architect

Design Idea (DI) Group
15 Bethany Street
New Brunswick, NJ 08901

Audit Firm

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

Attorneys

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100 Southgate Parkway
P.O. Box 1997
Morristown, NJ 07962-1997

Engineers

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

Official Depository

Investor Savings Bank
State of New Jersey - Cash Management Fund

FINANCIAL SECTION

Certified Public Accountants

485 Morris Avenue

Springfield, New Jersey 07081

(973) 379-6868

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MEMBER:

American Society of Certified Public Accountants

New Jersey Society of Certified Public Accountants

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively compromise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Township of Springfield School District Board of Education, in the County of Union, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 68 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

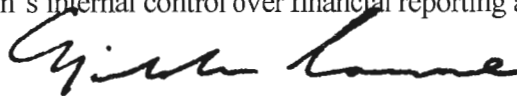
The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of Township of Springfield School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Springfield School District Board of Education's internal control over financial reporting and compliance.



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

December 31, 2020

***REQUIRED SUPPLEMENTARY INFORMATION
PART I***

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

The discussion and analysis of Springfield School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net assets increased \$4,139,382, which represents a 10.6 percent increase from 2019.
- General revenues accounted for \$38,266,044 in revenue or 82.6 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$7,727,048 or 16.7 percent of total revenues of \$46,347,848.
- Total assets of governmental activities totaled \$58,890,604 as unrestricted cash and cash equivalents totaled \$3,404,418, receivables totaled \$656,679, restricted assets totaled \$5,258,633, other assets totaled \$0, net capital assets totaled \$48,439,197 and deferred outflow related to pensions totaled \$3,065,626.
- The School District had \$46,347,848 in expenses; only \$7,727,048 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$40,569,668 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$48,448,206 in revenues and \$46,205,799 in expenditures. The General Fund's fund balance increased \$1,543,686 over 2019. This increase was anticipated by the Board of Education.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and ask the question, "How did we do financially during 2020?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of *accounting* takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2019 and comparison data for 2020.

	2020	2019
Assets		
Current and Other Assets	\$ 9,319,730	\$ 7,876,806
Capital Assets and deferred pension	49,570,874	49,896,518
Total Assets	\$ 58,890,604	\$ 57,773,324
Liabilities		
Long-term Liabilities	\$ 6,075,435	\$ 7,882,572
Other Liabilities	1,721,662	1,698,720
Total Liabilities	\$ 7,797,097	\$ 9,581,292
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 42,366,887	\$ 39,991,608
Restricted	5,424,111	4,965,711
Unrestricted	-9,552,807	-11,111,266
Total Net Assets	\$ 38,238,191	\$ 33,846,053

Table 1 Net Assets

The District's combined net assets were \$38,238,191 on June 30, 2020. Total assets increased by \$1,117,280 from the previous year, 2019. Total liabilities decreased by \$1,784,195 from the previous year, 2019. In total, the net assets increased by \$4,392,138 from the 2019 year.

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Table 2 shows changes in net assets for fiscal year 2020 and revenue and expense comparisons to fiscal year 2019.

Table 2

	2020	2019
Revenues		
Program Revenues:		
Charges for Services	\$ 1,148,593	\$ 1,751,619
Operating Grants and Contributions	6,578,455	6,415,406
General Revenues:		
Property Taxes	40,569,668	39,814,404
Grants and Entitlements	2,384,052	2,259,675
Other	1,595,260	1,282,094
GASB 68	-1,788,798	-920,681
Total Revenues	\$ 50,487,230	\$ 50,602,517
Program Expenses		
Instruction	26,886,808	\$ 25,971,661
Support Services:		
Pupils and Instructional Staff	7,789,265	\$ 8,218,022
General Administration, School Administration, Business Operations and Maintenance of Facilities	8,537,699	8,208,557
Pupil Transportation	1,947,367	2,198,022
Special Schools	90,631	67,461
Interest on Debt	99,665	129,121
Food Service & Before/Aftercare	1,463,649	1,689,902
Total Expenses	\$ 46,815,084	\$ 46,482,746
Increase (Decrease) in Net Assets	\$ 332,338	\$ 4,119,771

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

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

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

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

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

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

On the revenue side, property taxes increased by \$755,264 (which included voter approved construction for debt of \$955,600) from the previous year 2019.

On the expense side, interest on debt decreased by \$29,456.

Overall, net assets increased by \$4,139,382 from the previous year 2019.

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations when exceeding 2 percent plus other available adjustments. In 2020, the Board requested 1.97 percent, below the requirement. Property taxes made up 79.1 percent of revenues for governmental activities for the Springfield School District for fiscal year 2020. The District's total revenues were \$50,098,336 for the year ended June 30, 2020. Federal, state, and local grants accounted for another 17.6 percent of revenue.

Business-Type Activities

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

- Food service revenues received were \$535,216. A decrease of \$202,484 from the previous year 2019.
- Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$159,597.

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$50,098,336 and expenditures were \$48,554,650. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$1,195,633.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2020, and the amount and percentage for those revenues.

<i>Revenue</i>	<i>2020</i>		<i>2019</i>	
	<i>Amount</i>	<i>Percent of Total</i>	<i>Amount</i>	<i>Percent of Total</i>
Local sources	\$41,295,426	82.4	\$40,457,204	82.7
State Sources	8,179,937	16.3	7,742,778	15.8
Federal Sources	622,973	1.3	702,721	1.5
Total	\$50,098,336	100.00	\$48,902,703	100.00

Local revenues were the largest component of Total Revenues. The Local Tax Levy of \$40,569,668 represented 98.4 percent of the local source of revenues.

State sources largest component was for non-budgeted unallocated benefits, \$5,724,611 which represented 70.0% of the state source of revenues.

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

General Fund Budgeting Highlights

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

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets

At the end of the fiscal year 2020, the School District had \$48,439,197 invested in land, building, furniture and equipment, and vehicles.

Overall capital assets (net) increased \$558,500 from fiscal year 2019 to fiscal year 2020. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2020, the School District had \$7,797,097 of outstanding debt. Of this amount, \$1,724,787 is for compensated absences; \$3,402,210 for various capital leases, and \$2,670,000 of serial bonds for school construction.

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

For the Future

The Springfield School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding allocation continues to lag in comparison to the SFRA State funding formula/allocation. With the passage of S-2, Springfield should be on the path of increased formula allocation over the next few years pending enrollment growth.

Springfield School District's budget for 2020-21 was passed by the Board of Education, staying within the State mandated CAP. Springfield historically has stayed within the State CAP, continues to be fiscally responsible and looks for efficiencies in all aspects of school business.

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

SPRINGFIELD SCHOOL DISTRICT, SPRINGFIELD, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020 UNAUDITED

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

Springfield Board of Education
Statement of Net Position
6/30/2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,404,418	\$ 658,559	\$ 4,062,977
Investments			-
Receivables, net	656,679	5,724	662,403
Inventory		14,454	14,454
Restricted assets:			-
Cash and cash equivalents	251,725		251,725
Capital reserve account	5,006,908		5,006,908
Capital assets, net (Note 4):	48,439,197	212,598	48,651,795
Deferred outflows of resources related to pensions	1,131,677		1,131,677
Other assets			-
Total Assets	<u>58,890,604</u>	<u>891,335</u>	<u>59,781,939</u>
LIABILITIES			
Accounts payable		33,955	33,955
Accrued Interest Expense	10,218		10,218
Unearned Income		29,380	29,380
Payable to state government	5,934		5,934
Payable to local government			
Deferred revenue	116,389		116,389
Deferred inflows of resources related to pensions	3,853,645		3,853,645
Pension Plan Liability for PERS - non current	8,869,130		8,869,130
Noncurrent liabilities (Note 5):			-
Due within one year	1,721,662		1,721,662
Due beyond one year	6,075,435		6,075,435
Total liabilities	<u>20,652,413</u>	<u>63,335</u>	<u>20,715,748</u>
NET ASSETS			
Invested in capital assets, net of related debt	42,366,887	212,598	42,579,485
Restricted for:			-
Debt service	2		2
Capital projects	5,016,988		5,016,988
Other purposes	407,121		407,121
Unrestricted (Deficit)	(9,552,807)	615,403	(8,937,404)
Total net assets	<u>\$ 38,238,191</u>	<u>\$ 828,001</u>	<u>\$ 39,066,192</u>

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

Springfield Board of Education
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 16,964,705	\$ 7,700	\$ 2,326,095		\$ (14,630,910)		\$ (14,630,910)
Special education	8,192,110		2,275,922		(5,916,188)		(5,916,188)
Other special instruction	643,638		135,941		(507,697)		(507,697)
Vocational					-		-
Other instruction	1,086,355		75,523		(1,010,832)		(1,010,832)
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	3,076,302				(3,076,302)		(3,076,302)
Student & instruction related services	4,712,963		427,226		(4,285,737)		(4,285,737)
School administrative services	1,953,079		241,672		(1,711,407)		(1,711,407)
General and business administrative serv	869,487		60,418		(809,069)		(809,069)
Plant operations and maintenance	4,997,267	91,555	543,763		(4,361,949)		(4,361,949)
Pupil transportation	1,947,369	9,290	241,672		(1,696,407)		(1,696,407)
Business and other support services	717,866		90,626		(627,240)		(627,240)
Special schools	90,631				(90,631)		(90,631)
Pension plan expense	(499,842)				499,842		499,842
Compensated absences	32,604				(32,604)		(32,604)
Interest on long-term debt	99,665				(99,665)		(99,665)
Unallocated benefits					-		-
Unallocated depreciation					-		-
Total governmental activities	<u>44,884,199</u>	<u>108,545</u>	<u>6,418,858</u>	<u>-</u>	<u>(38,356,796)</u>	<u>-</u>	<u>(38,356,796)</u>
Business-type activities:							
Food Service	683,726	535,216	159,597			11,087	11,087
Before/After Care	779,923	504,832				(275,091)	(275,091)
Total business-type activities	<u>1,463,649</u>	<u>1,040,048</u>	<u>159,597</u>	<u>-</u>	<u>-</u>	<u>(264,004)</u>	<u>(264,004)</u>
Total primary government	<u>\$ 46,347,848</u>	<u>\$ 1,148,593</u>	<u>\$ 6,578,455</u>	<u>\$ -</u>	<u>\$ (38,356,796)</u>	<u>\$ (264,004)</u>	<u>\$ (38,620,800)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 39,614,068		\$ 39,614,068
Taxes levied for debt service					955,600		955,600
Federal and State aid not restricted					2,384,052		2,384,052
Investment Earnings					123,526	11,248	134,774
Miscellaneous Revenues					493,687		493,687
Adjustments:							
Section 1701 Adjustment							-
Capital lease payments					370,885		370,885
Lease purchase payments					595,914		595,914
Fixed asset adjustment					(1,788,798)		(1,788,798)
Total general revenues, special items, extraordinary items and transfers					<u>42,748,934</u>	<u>11,248</u>	<u>42,760,182</u>
Change in Net Assets					<u>4,392,138</u>	<u>(252,756)</u>	<u>4,139,382</u>
Net Assets—beginning					<u>33,846,053</u>	<u>1,080,757</u>	<u>34,926,810</u>
Net Assets—ending					<u>\$ 38,238,191</u>	<u>\$ 828,001</u>	<u>\$ 39,066,192</u>

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

**Springfield Board of Education
Balance Sheet
Governmental Funds
June 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	3,564,809	(160,393)	-	2	3,404,418
Investments					-
Capital Reserve Account					-
Receivables, net					-
Due from other funds			8,356		8,356
Receivables - State	373,963	10,465			384,428
Receivables - Federal		272,251			272,251
Accounts Receivable - Other					-
Interest receivable on investments					-
Inventory					-
Restricted cash and cash equivalents	5,256,909		1,724		5,258,633
Other assets					-
	<u>9,195,681</u>	<u>122,323</u>	<u>10,080</u>	<u>2</u>	<u>9,328,086</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					-
Accrued Interest					-
Interfund payable	8,356				8,356
Payable to federal government					-
Payable to state government		5,934			5,934
Payable to local government					-
Deferred revenue		116,389			116,389
Total liabilities	<u>8,356</u>	<u>122,323</u>	<u>-</u>	<u>-</u>	<u>130,679</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					-
Reserve for Excess Surplus	157,121				157,121
Maintenance Reserve	250,000				250,000
Escrow - Lease Purchase/ \ESIP			1,724		1,724
Reserve for Capital Reserve	5,006,908				5,006,908
Committed Fund Balance					
Reserve for encumbrances	2,788,455				2,788,455
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	84,860				84,860
Unrestricted Fund Balance	899,981		8,356	2	908,339
Total Fund balances	<u>9,187,325</u>	<u>-</u>	<u>10,080</u>	<u>2</u>	<u>9,197,407</u>
Total liabilities and fund balances	<u>9,195,681</u>	<u>122,323</u>	<u>10,080</u>	<u>2</u>	

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

Interest expense in the governmental funds is reported when due. In the statement of activities, interest on long-term debt is accrued.	\$ (10,218)
The net pension liability for PERS is not due and payable in the current period and is not reported in the governmental funds	\$ (8,869,130)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:	
Deferred outflows of resources related to pensions	\$ 1,131,677
Deferred inflows of resources related to pensions	\$ (3,853,645)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$67,003,402 and the accumulated depreciation is \$18,564,205 (See Note 4)	\$ 48,439,197
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	<u>\$ (7,797,097)</u>
Net assets of governmental activities	<u>\$ 38,238,191</u>

Springfield Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	39,614,068			\$ 955,600	\$ 40,569,668
Transportation Fees	9,290				9,290
Rental Facilities	91,555				91,555
Interest on Investments	123,243		283		123,526
Tuition charges	7,700				7,700
Miscellaneous	493,687				493,687
Total - Local Sources	40,339,543	-	283	955,600	41,295,426
State sources	8,082,799	97,138			8,179,937
Federal sources	25,864	597,109			622,973
Total revenues	48,448,206	694,247	283	955,600	50,098,336
EXPENDITURES					
Current:					
Regular instruction	11,434,732	523,798			11,958,530
Special education instruction	3,501,456				3,501,456
Other special instruction	320,458				320,458
Vocational education	906,810				906,810
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	3,076,302				3,076,302
Student & instruction related services	3,932,062	170,449			4,102,511
School administrative services	1,377,218				1,377,218
Other administrative services	723,351				723,351
Plant operations and maintenance	3,704,504				3,704,504
Pupil transportation	1,372,826				1,372,826
Business and other support services	502,415				502,415
Unallocated benefits	12,774,564				12,774,564
Special schools	90,631				90,631
Transfer to charter school					-
Debt service:					
Principal				850,000	850,000
Interest and other charges				105,600	105,600
Capital outlay	2,488,470		699,004		3,187,474
Total expenditures	46,205,799	694,247	699,004	955,600	48,554,650
Excess (Deficiency) of revenues over expenditures	2,242,407	-	(698,721)	-	1,543,686
OTHER FINANCING SOURCES (USES)					
Capital Leases					-
Transfers in	283		699,004		699,287
Transfers out	(699,004)		(283)		(699,287)
Total other financing sources and uses	(698,721)	-	698,721	-	-
Net change in fund balances	1,543,686	-	-	-	1,543,686
Fund balance—July 1	7,643,639		10,080	2	7,653,721
Fund balance—June 30	\$ 9,187,325	\$ -	\$ 10,080	\$ 2	\$ 9,197,407

**Springfield Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020**

Total net change in fund balances - governmental funds (from B-2) \$ 1,543,686

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

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

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

Depreciation expense	(840,196)	
Fixed Asset Adjustment	(1,788,798)	
Capital outlays	3,187,474	558,480

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

850,000

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

Proceeds of long-term debt
Accrued interest received on bond issuance
Capital lease proceeds

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

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the governmental funds:

Decrease in pension plan liability	1,219,524	
Change in deferred outflows	(884,124)	
Change in deferred inflows	164,442	499,842

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

Current year accrued interest or long-term debt which was paid in the subsequent year	(10,218)	
Prior year accrued interest on long term debt which was paid in the current year	16,153	
Increase in compensated absences payable	(32,604)	
Capital lease payments	370,885	
Lease purchase payments	595,914	
	940,130	940,130

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

Change in net assets of governmental activities

\$ 4,392,138

PROPRIETARY FUNDS

Springfield Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds		
	Food Service	Before/ After Care	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 301,408	357,151	\$ 658,559
Investments			-
Accounts receivable	5,724		5,724
Due From General Fund			-
Inventories	14,454		14,454
Total current assets	321,586	357,151	678,737
Noncurrent assets:			
Building and Improvements	13,305		13,305
Furniture, machinery & equipment	252,167	125,290	377,457
Less accumulated depreciation	(125,333)	(52,831)	(178,164)
Total noncurrent assets	140,139	72,459	212,598
Total assets	461,725	429,611	891,336
LIABILITIES			
Current liabilities:			
Accounts payable	33,955		33,955
Unearned Income	29,380		29,380
Compensated absences			-
Total current liabilities	63,335	0	63,335
Noncurrent Liabilities:			
Compensated absences			-
Total noncurrent liabilities	-	0	-
Total liabilities	63,335	0	63,335
NET ASSETS			
Invested in capital assets net of related debt	140,139	72,459	212,598
Restricted for:			
Capital projects			-
Unrestricted	258,251	357,152	615,403
Total net assets	\$ 398,390	429,611	\$ 828,001

Exhibit B-5

Springfield Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service	Before/After Care Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 323,742	\$ 504,832	\$ 828,574
Daily sales - non-reimbursable programs	211,474		211,474
Special functions			-
Community service activities			-
Transportation fees from other LEA's within the state			-
Deductions from employees' salaries			-
Miscellaneous			-
Total operating revenues	<u>535,216</u>	<u>504,832</u>	<u>1,040,048</u>
Operating expenses:			
Cost of sales - Reimbursable programs	212,369		212,369
Cost of Sales - Non-reimbursable programs	36,270		36,270
Salaries	199,663	491,199	690,862
Employee benefits	70,870	114,741	185,611
Purchased property service			-
Other purchased professional services			-
Student meals		40,726	40,726
Cleaning, repair and maintenance services			-
Insurance	21,488		21,488
General supplies	20,946	21,367	42,313
Miscellaneous expense	68,208	90,448	158,656
Depreciation	7,805	21,442	29,247
Food distribution program Expense	46,107		46,107
Total Operating Expenses	<u>683,726</u>	<u>779,923</u>	<u>1,463,649</u>
Operating income (loss)	<u>(148,510)</u>	<u>(275,091)</u>	<u>(423,601)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	4,554		4,554
Federal sources:			
National school lunch program	94,072		94,072
School breakfast program	14,864		14,864
Food distribution program	46,107		46,107
Interest and investment revenue	3,390	7,858	11,248
Food service expense reimbursement			-
Total nonoperating revenues (expenses)	<u>162,987</u>	<u>7,858</u>	<u>170,845</u>
Income (loss) before contributions & transfers	<u>14,477</u>	<u>(267,233)</u>	<u>(252,756)</u>
Capital contributions			-
Transfers in (out)			-
Change in net assets	<u>14,477</u>	<u>(267,233)</u>	<u>(252,756)</u>
Total net assets—beginning	<u>383,913</u>	<u>696,844</u>	<u>1,080,757</u>
Total net assets—ending	<u>\$ 398,390</u>	<u>\$ 429,611</u>	<u>\$ 828,001</u>

Springfield Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities -		
	Enterprise Funds		
	Food	Before/	Total
	Service	After Care	Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ (49,336)	\$ (253,650)	\$ (302,986)
Payments to employees			-
Payments for employee benefits			-
Payments to suppliers			-
Net cash provided by (used for) operating activities	<u>(49,336)</u>	<u>(253,650)</u>	<u>(302,986)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,554		4,554
Federal Sources	108,936		108,936
Operating subsidies and transfers to other funds			-
Food service expense reimbursement			-
Net cash provided by (used for) non-capital financing activities	<u>113,490</u>	<u>-</u>	<u>113,490</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions			-
Purchases of capital assets	(67,126)	(20,662)	(87,788)
Gain/Loss on sale of fixed assets (proceeds)			-
Net cash provided by (used for) capital and related financing activities	<u>(67,126)</u>	<u>(20,662)</u>	<u>(87,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	3,390	7,858	11,248
Proceeds from sale/maturities of investments			-
Net cash provided by (used for) investing activities	<u>3,390</u>	<u>7,858</u>	<u>11,248</u>
Net increase (decrease) in cash and cash equivalents	418	(266,454)	(266,036)
Balances—beginning of year	300,990	623,605	924,595
Balances—end of year	<u>\$ 301,408</u>	<u>\$ 357,151</u>	<u>\$ 658,559</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (148,510)	(275,092)	(423,602)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			-
Depreciation and net amortization	7,805	21,442	29,247
(Increase) decrease in accounts receivable, net	17,956		17,956
(Increase) decrease in inventories	(5,296)		(5,296)
(Increase) decrease in due from general fund			-
(Increase) decrease in other current assets			-
Increase (decrease) in accounts payable	23,899		23,899
Increase (decrease) in unearned income	8,703		8,703
Food Commodity Program	46,107		46,107
Total adjustments	<u>99,174</u>	<u>21,442</u>	<u>120,616</u>
Net cash provided by (used for) operating activities	<u>\$ (49,336)</u>	<u>\$ (253,650)</u>	<u>\$ (302,986)</u>

FIDUCIARY FUNDS

Springfield Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2020

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 3,618	\$ 1,029,513
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Total investments	-	-
Total assets	3,618	\$ 1,029,513
LIABILITIES		
Accounts payable		
Payable to student groups		282,215
Payroll deductions and withholdings		205,854
Payable to teachers		541,444
Total liabilities	-	\$ 1,029,513
NET ASSETS		
Held in trust for unemployment claims and other purposes	\$ 3,618	
Reserved for scholarships		

Exhibit B-8

Springfield Board of Education
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	\$ 156,856
Other	
Total Contributions	156,856
Investment earnings:	
Net increase (decrease) in fair value of investments	
Interest	145
Dividends	
Less investment expense	
Net investment earnings	145
Total additions	157,001
DEDUCTIONS	
Quarterly contribution reports	200,983
Unemployment claims	
Scholarships awarded	
Refunds of contributions	
Transfers	145
Total deductions	201,128
Change in net assets	(44,127)
Net assets—beginning of the year	47,745
Net assets—end of the year	\$ 3,618

NOTES TO THE FINANCIAL STATEMENTS

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Springfield School District Board of Education have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2020.

A. Reporting Entity:

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

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

B. Basis of Presentation, Basis of Accounting:

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

Fiduciary Fund Types

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Basis of Accounting:

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued):

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

It is the District's policy, that when an expenditure is incurred for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs followed by general revenue.

D. Budgets/Budgetary Control:

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2020.

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$ 48,464,159	749,270
Adjust for State Aid Payment:		
Add: Prior Year Payment	179,846	
Less: Current Year Payment	(195,799)	
Adjust for Encumbrances:		
Add Prior Year Encumbrances		61,366
Less Current Year Encumbrances		(116,389)
Total Revenues (GAAP Basis)	<u>\$ 48,448,206</u>	<u>\$ 694,247</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 46,205,799	749,270
Adjustments:		
Add Prior Year Encumbrances		61,366
Less Current Year Encumbrances		(116,389)
Total Expenditures (GAAP Basis)	<u>\$ 46,205,799</u>	<u>\$ 694,247</u>

E. Encumbrances:

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

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

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

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

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

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, there remained undisbursed accrued salaries in the amount of \$541,444.

J. Compensated Absences:

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

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

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

K. Deferred Revenue:

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

L. Accrued Liabilities and Long-Term Obligations:

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

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

N. Fund Balance Reserves:

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

O. Memorandum Only - Total Columns:

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

P. Subsequent Events:

The Township of Springfield Board of Education has evaluated subsequent events occurring after June 30, 2020 through the date of December 31, 2020, which is the date the financial statements were available to be issued.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

A. Deposits:

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

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

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

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

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

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

B. Investments:

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

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

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$9,508,945
NJ Cash Management Account	\$ 16,542
	<u>\$9,525,740</u>
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

B. Investments (Continued):

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

Risk Category

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

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

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

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

As of June 30, 2019, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings and New Jersey Cash Management Account. These funds constitute “deposits with financial institutions” as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 9,525,740
2	0
3	0
	<u>\$ 9,525,740</u>
	=====

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 3. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	4,436		-	4,436
Construction in progress	8,657,099			8,657,099
Total capital assets not being depreciated	<u>8,661,535</u>	<u>-</u>	<u>-</u>	<u>8,661,535</u>
<i>Capital assets being depreciated:</i>				
Site improvements	510,259		-	510,259
Building and building improvements	40,838,221	1,276,584	(20)	42,114,785
Machinery and equipment	15,594,711	122,112		15,716,823
Totals at historical cost	<u>56,943,191</u>	<u>1,398,696</u>	<u>(20)</u>	<u>58,341,867</u>
Less accumulated depreciation for :				
Building and improvements	10,542,970	382,057	-	10,925,027
Equipment	7,181,039	458,139	-	7,639,178
Total	<u>17,724,009</u>	<u>840,196</u>	<u>-</u>	<u>18,564,205</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>39,219,182</u>	<u>558,500</u>	<u>-</u>	<u>39,777,662</u>
Governmental activity capital assets, net	<u>\$ 47,880,717</u>	<u>\$ 558,500</u>	<u>\$ (20)</u>	<u>\$ 48,439,197</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Building and Improvements	\$ -	13,305		\$ 13,305
Equipment	302,974	74,483		377,457
Total	<u>302,974</u>	<u>87,788</u>	<u>-</u>	<u>390,762</u>
Less accumulated depreciation	<u>148,917</u>	<u>29,247</u>		<u>\$ 178,164</u>
Enterprise fund capital assets, net	<u>\$ 154,057</u>	<u>\$ 58,541</u>	<u>\$ -</u>	<u>\$ 212,598</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 3. CAPITAL ASSETS (Continued)

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

Depreciation expense for the governmental funds was charged to functions as follows:

Instruction	\$ 629,919
Student and Instruction - Related Services	37,621
School Administrative Services	35,408
General and Business Administrative Services	8,852
Plant Operations and Maintenance	79,711
Pupil Transportation	35,408
Business and Other Support Services	13,277
Unallocated	-
Total	<u>\$ 840,196</u>

Depreciation expense for the enterprise funds was changed to the following function:

Business and Other Support Functions	<u>\$29,247</u>
Total	<u>\$29,247</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 4. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2019	Issued	Retired	Balance 6/30/2020	Amounts Due Within One Year
Compensated Absences Payable	\$ 1,692,183	\$ 32,604		\$ 1,724,787	
Serial Bonds Payable	3,520,000		850,000	2,670,000	860,000
Lease Purchases	3,627,340		595,914	3,031,426	490,778
Capital Leases Payable	741,769		370,885	370,884	370,884
	<u>\$ 9,581,292</u>	<u>\$ 32,604</u>	<u>\$ 1,816,799</u>	<u>\$ 7,797,097</u>	<u>\$ 1,721,662</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2020 as follows:

Year	Principal	Interest	Total
2021	860,000	80,100	940,100
2022	900,000	54,300	954,300
2023	910,000	27,300	937,300
Total	<u>2,670,000</u>	<u>161,700</u>	<u>2,831,700</u>

B. Bonds Issued During the Year:

For the fiscal year ended June 30, 2020, the Board of Education did not issue any bonds.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 4. GENERAL LONG-TERM DEBT (Continued)

C. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

D. Capital Leases Payable:

The District is leasing several copiers and computer equipment under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2020.

Year ending June 30,	<u>Total</u>
2021	370,885
Thereafter	-
Total Minimum Lease Payments	<u>\$ 370,885</u>
Less: Amount Representing Interest	
Net Minimum Lease Payments	<u>\$ 370,885</u>

NOTE 5. PENSION PLANS

Plan Descriptions

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

Public Employees' Retirement System (PERS)

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$757,736 consisting of employer contributions of \$478,789 and non-employer contributions of \$278,947. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 159,189	\$ 39,180
Changes of assumptions	885,615	3,078,447
Net difference between projected and actual earnings on pension plan investments	-	140,003
Changes in proportion and differences between District contributions and proportionate share of contributions	86,873	596,015
District contributions subsequent to the measurement date	-	
Total:	<u>\$ 1,131,677</u>	<u>\$ 3,853,645</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$ -0- reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ (256,100)
2021	\$ (830,784)
2022	\$ (741,842)
2023	\$ (348,333)
2024	\$ (35,766)
Total	<u>\$ (2,212,825)</u>

Additional Information

Collective balances at December 31, 2019 and 2018 are as follows:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Collective deferred outflows of resources	\$ 1,131,677	\$ 2,015,801
Collective deferred inflows of resources	3,853,645	4,018,087
Collective net pension liability	8,869,130	10,088,654
District's Proportion	<u>0.0492%</u>	<u>0.0512%</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

For the year ended June 30, 2020, the District recognized pension expense of \$5,297,668 and revenue of \$5,297,668, for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,757,104	\$ 311,481
Changes of assumptions	12,744,647	25,058,018
Net difference between projected and actual earnings on pension plan investments		238,518
Changes in proportion and differences between District contributions and proportionate share of contributions	246,773	40,654
District contributions subsequent to the measurement date	-	
Total:	<u>\$ 14,748,524</u>	<u>\$ 25,648,671</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

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

\$ -0- reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	(398,670)
2021	(1,030,697)
2022	(922,839)
2023	(1,780,190)
2024	(3,485,094)
Thereafter	<u>(3,515,589)</u>
Total	<u>\$ (11,133,079)</u>

Vesting and Benefit Provisions

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 5. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

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

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$4,608,596 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District contributed \$ 1,116,015 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 6. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State’s “pay-as-you-go” contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 6. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers are published in the [NJ State's CAFR \(https://www.nj.gov/treasury/omb/publications/archives.shtml\)](https://www.nj.gov/treasury/omb/publications/archives.shtml)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%	
Salary Increases	<u>TPAF</u>	<u>PERS</u>
Through 2026	1.55 - 3.05% Based on service years	2.00 - 6.00% Based on service years
Thereafter	1.55 – 3.05% Based on service years	3.00 - 7.00% Based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generation mortality improvement projections from the central year using Scale MP-2019.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 6. POST-RETIREMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 6. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Changes in the Total OPEB Liability reported by the State of New Jersey:

	<u>Increase/Decrease</u> <u>Total OPEB Liability</u>
Balance as of June 30, 2018 Measurement Date	\$ 46,110,832,982
Changes Recognized for the Fiscal Year	
Service Cost	\$ 1,734,404,850
Interest on the Total OPEB Liability	1,827,787,206
Changes of benefit terms	-
Differences Between Expected and Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Gross Benefit Payments	(1,280,958,373)
Contributions From the Non-Employer	N/A
Contributions From the Member	37,971,171
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ (4,381,751,937)</u>
Balance as of June 30, 2019 Measurement Date	\$ 41,729,081,045

The State's total OPEB liability attributable to the District: \$ 54,013,511.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 6. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2019, 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:

1% decrease (2.50%)	discount rate (3.50%)	1% increase (4.50 %)
\$ 49,298,534,898	41,729,081,045	35,716,321,820

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, 2019 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.

1% decrease	Healthcare cost trend rate	1% increase
\$ 34,382,902,820	41,729,081,045	51,453,912,586

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$1,551,770 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 7. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 8,356
Special Revenue Fund		
Capital Projects Fund	8,356	
Debt Service Fund		
Enterprise Fund		
Trust and Agency Fund		
	<u>\$8,356</u>	<u>\$8,356</u>

These amounts represent temporary advances between the various funds.

NOTE 8. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2019-2020 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 9. LITIGATION

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

- ***P.L. o/b/o A.L. v. Springfield Board of Education; Office of Administrative Law; OAL Dkt. No. EDS 04888-2020N***: Petitioner, Parent P.L. filed for due process in Spring 2020 claiming that child had not received a Free and Appropriate Education ("FAPE") and seeking additional services or an out-of-district placement. The parties have engaged in protracted settlement discussions during which the Petitioner has moved the target several times. The Board believes it has provided and is offering FAPE, but continues discussions to resolve without the need for litigation. However, if the matter is not resolved, proceeds to a hearing and the parent prevails, the Board could be responsible for tuition at an out-of-district placement at a cost of \$50,000 to \$100,000 per year as well as attorneys' fees.
- ***Kara King v. Springfield Board of Education, Michael Davino, et al., Superior Court of New Jersey, Law Division, Union County, Dkt. No. UNN-L-2023-20***: Plaintiff is a former School Social Worker whose employment was terminated on May 11, 2020. On June 23, 2020, Plaintiff filed a complaint alleging that she had disclosed what she believed to be unlawful activities by Adriana Coppola, the then-Principal of the Walton School and Michael Davino, the then-Superintendent of Schools, and that her termination violated the Conscientious Employee Protection Act ("CEPA"). The complaint included an action in lieu of prerogative writs seeking to remedy alleged violations of the Open Public Meetings Act and the Tenure Act as well as common law retaliation claims. The Board filed a motion to dismiss on the basis that the Commissioner of Education had sole jurisdiction over the claims arising under the school laws. On August 14, 2020, the judge dismissed the Open Public Meetings Act and Tenure Act claims, without prejudice and with a statement that such dismissal does not preclude evidence on those issues from being considered in reference to the remaining counts.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 9. LITIGATION (continued)

On September 18, 2020, Plaintiff filed an amended complaint that repeated the CEPA and common law retaliation claims, but clarified that Plaintiff was not seeking relief under the Open Public Meetings Act or the Tenure Act. The complaint seeks reinstatement and/or compensatory damages, punitive damages, attorney's fees and enhanced attorneys' fees. This matter has been assigned to defense counsel by the Board's insurance carrier, but this firm has entered an appearance on behalf of the Board on punitive damages and any other claims that might not be covered by insurance. Discovery has not yet begun.

Plaintiff was a very problematic employee and the Board has strong defenses her allegations of retaliation. At this stage of the litigation, it is too early to determine the range of damages, as no discovery has been conducted yet. In the event this matter does not resolve and Plaintiff prevails, damages could include compensatory damages, lost wages, future wages, and attorneys' fees.

NOTE 10. CAPITAL RESERVE ACCOUNT

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

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

The capital reserve account reported the following activity for the fiscal year ended June 30, 2020:

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2020**

NOTE 10. CAPITAL RESERVE ACCOUNT (CONTINUED)

Beginning Balance	\$ 4,705,602
Plus: Board Appropriation	
Transfers In	-
Interest Income	
Less: Transfers Out	<u>301,306</u>
Ending Balance	<u>5,006,908</u>

NOTE 11. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$ 157,121.

NOTE 12. COMPENSATED ABSENCES

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 12. COMPENSATED ABSENCES (CONTINUED)

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

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

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

NOTE 13. DEFERRED COMPENSATION

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

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

NOTE 14. RISK MANAGEMENT

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

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

<u>Fiscal Year</u>	<u>Ending Balance</u>
2019-2020	\$ 3,616
2018-2019	\$ 47,745
2017-2018	\$ 4,931

NOTE 15. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 16. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

NOTE 17. SUBSEQUENT EVENTS

The Springfield School District Board of Education has evaluated subsequent events occurring after June 30, 2020 through the date of December 31, 2020, which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events which need to be disclosed.

NOTE 18. ECONOMIC DEPENDENCY

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

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 19. GASB #54 – FUND BALANCE DISCLOSURES

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

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

General Fund – Of the \$9,383,124 General Fund fund balance at June 30, 2020, \$157,121 is restricted for excess surplus; \$5,006,908 is restricted for the Capital Reserve Account; \$250,000 is restricted for the Maintenance Reserve; \$2,788,455 is committed for other purposes; \$0 is assigned for other purposes; \$84,860 is assigned as designated for subsequent year's expenditures and \$1,095,780 is unassigned.

NOTE 20. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. To the extent that the District has not complied with the grant rules and regulations, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 39,614,068	\$ -	\$ 39,614,068	\$ 39,614,068	\$ -
Tuition	79,022	-	79,022	7,700	(71,322)
Transportation Fees from Individuals	14,600	-	14,600	4,669	(9,931)
Transportation Fees from Other LEAs		-		4,621	4,621
Rental of Facilities	97,500	-	97,500	91,555	(5,945)
Interest on Investments		-		123,243	123,243
Interest on Investments - Capital Reserve		-			-
Miscellaneous	398,267	-	398,267	493,686	95,419
Total - Local Sources	<u>40,203,457</u>	<u>-</u>	<u>40,203,457</u>	<u>40,339,542</u>	<u>136,085</u>
State Sources:					
Transportation Aid	408,453	-	408,453	408,453	-
Security Aid	211,617	-	211,617	211,617	-
Special Education Aid	1,010,328	-	1,010,328	1,010,328	-
Bilingual Education		-			-
Extraordinary Aid - Prior Year		-			-
Extraordinary Aid	200,000	-	200,000	286,155	86,155
School Choice	457,588	-	457,588	457,588	-
Non-Public Transportation-Prior Year		-			-
Non-Public Transportation		-			-
Other State Aid		-			-
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)		-		1,246,229	1,246,229
TPAF- Non-Contributory Insur (On-Behalf - Non-Budgeted)		-		3,093	3,093
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)		-		3,359,274	3,359,274
TPAF Social Security (Reimbursed - Non-Budgeted)		-		1,116,015	1,116,015
Total State Sources	<u>2,287,986</u>	<u>-</u>	<u>2,287,986</u>	<u>8,098,752</u>	<u>5,810,766</u>
Federal Sources:					
Education Job Fund		-			-
Medicaid Reimbursement	35,532	-	35,532	25,864	(9,668)
Total - Federal Sources	<u>35,532</u>	<u>-</u>	<u>35,532</u>	<u>25,864</u>	<u>(9,668)</u>
Total Revenues	<u>42,526,975</u>	<u>-</u>	<u>42,526,975</u>	<u>48,464,159</u>	<u>5,937,184</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	254,418	(34,000)	220,418	219,450	968
Kindergarten - Salaries of Teachers	573,263	69,243	642,506	642,461	45
Grades 1-5 - Salaries of Teachers	3,868,338	(43,472)	3,824,866	3,823,537	1,329
Grades 6-8 - Salaries of Teachers	2,790,072	(46,324)	2,743,748	2,743,667	81
Grades 9-12 - Salaries of Teachers	3,593,834	(143,347)	3,450,487	3,447,660	2,827
Regular Programs - Home Instruction:					
Salaries of Teachers	33,330	(18,000)	15,330	14,887	443
Purchased Professional-Educational Services	10,000	89,458	99,458	53,542	45,917
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	8,330	-	8,330	70	8,260
Purchased Professional-Educational Services		-			-
Purchased Technical Services	1,000	-	1,000	-	1,000
Other Purchased Services (400-500 series)	21,555	(10,450)	11,105	4,815	6,290
General Supplies	381,409	430,947	812,356	371,448	440,909
Textbooks	116,901	991	117,892	113,195	4,698
Other Objects		-			-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>11,652,450</u>	<u>295,047</u>	<u>11,947,497</u>	<u>11,434,732</u>	<u>512,765</u>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Objects		-			-
Total Cognitive - Mild	-	-	-	-	-
Cognitive - Moderate:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Moderate	-	-	-	-	-
Learning and/or Language Disabilities:					
Salaries of Teachers	244,207	(29,000)	215,207	214,765	442
Other Salaries for Instruction	1,313,112	100,857	1,413,969	1,413,968	1
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	2,000	7	2,007	323	1,684
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	1,559,319	71,864	1,631,183	1,629,057	2,127
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	-	-	-	-	-
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	-	-	-	-	-
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	-	-	-	-	-
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	-	-	-	-	-
Resource Room/Resource Center:					
Salaries of Teachers	1,458,891	170,904	1,629,795	1,629,794	1
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	5,000	-	5,000	3,218	1,782
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	<u>1,463,891</u>	<u>170,904</u>	<u>1,634,795</u>	<u>1,633,012</u>	<u>1,783</u>
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	177,397	(72,000)	105,397	104,251	1,146
Other Salaries for Instruction	133,531	1,304	134,835	134,138	697
Purchased Professional-Educational Services	50,100	(45,000)	5,100	-	5,100
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,125	17	1,142	998	144
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Part-Time	<u>362,153</u>	<u>(115,679)</u>	<u>246,474</u>	<u>239,387</u>	<u>7,086</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Full-Time	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cognitive - Severe:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Severe	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,385,363</u>	<u>127,089</u>	<u>3,512,452</u>	<u>3,501,456</u>	<u>10,995</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	198,754	5,541	204,295	204,295	0
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,000	-	1,000	-	1,000
Textbooks		-			-
Other Objects		-			-
Total Basic Skills/Remedial - Instruction	<u>199,754</u>	<u>5,541</u>	<u>205,295</u>	<u>204,295</u>	<u>1,000</u>
Bilingual Education - Instruction					
Salaries of Teachers	151,804	(35,000)	116,804	116,074	730
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	600	-	600	89	511
Textbooks		-			-

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Objects		-			-
Total Bilingual Education - Instruction	152,404	(35,000)	117,404	116,163	1,241
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	201,791	3,911	205,702	165,004	40,698
Purchased Services (300-500 series)		-			-
Supplies and Materials	16,744	(5,050)	11,694	41	11,653
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total School-Spon. Cocurricular Actvts. - Inst.	218,535	(1,139)	217,396	165,045	52,351
School-Spon. Athletics - Inst.					
Salaries of Teachers	577,956	321	578,277	427,589	150,688
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)	111,668	24,881	136,549	78,630	57,918
General Supplies	44,270	75,384	119,654	91,505	28,149
Textbooks		-			-
Other Objects	54,772	40,581	95,353	56,571	38,781
Total School-Spon. Athletics - Inst.	788,666	141,166	929,832	654,296	275,537
Other Instructional Programs - Community Service					
Salaries	93,800	-	93,800	87,469	6,331
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total Other Instructional Programs - Community Service	93,800	-	93,800	87,469	6,331
Total Instruction	16,490,972	532,705	17,023,677	16,163,456	860,221
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools		-			-
Tuition to Private Schools for the Handicapped - Within State	2,582,229	8,213	2,590,442	2,385,783	204,659
Tuition to Private Schools for the Handicapped - Outside NJ		-			-
Tuition -County Voc School-Regular	606,000	7,400	613,400	498,900	114,500
Tuition -County Voc School-Special	71,950	5,400	77,350	23,050	54,300
Tuition - State Facilities		-			-
Tuition - Other		-			-
Tuition - Other Lea Within State-Special	147,467	88,500	235,967	168,569	67,398
Total Undistributed Expenditures - Instruction:	3,407,646	109,513	3,517,159	3,076,302	440,857
Undistributed Expend. - Attendance Services					
Salaries	35,665	-	35,665	21,870	13,795
Total Undistributed Expend. - Attendance Services	35,665	-	35,665	21,870	13,795
Undist. Expend. - Health Services					
Salaries	411,416	(77,819)	333,597	322,418	11,179
Purchased Professional and Technical Services	838,428	69,831	908,259	754,639	153,621
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	11,425	1,827	13,252	10,957	2,295
Other Objects		-			-
Total Undistributed Expenditures - Health Services	1,261,269	(6,161)	1,255,108	1,088,014	167,094
Undistributed Expend. - Speech & Social Work					
Salaries	232,891	83,806	316,697	316,697	0
Purchased Professional Educational Services		18,100	18,100	10,861	7,239
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	2,000	-	2,000	1,910	90
Other Objects		-			-
Total Undistributed Expend. - Speech & Social Work	234,891	101,906	336,797	329,468	7,329
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff		-			-
Purchased Professional - Educational Services		-			-
Supplies and Materials		-			-
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	-	-	-	-	-
Undist. Expend. - Guidance Services					
Salaries of Other Professional Staff	722,422	(58,700)	663,722	643,184	20,538
Salaries of Secretarial and Clerical Assistants	73,701	-	73,701	72,936	765
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)		-			-

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Supplies and Materials	9,687	900	10,587	8,661	1,926
Other Objects	-	-	-	-	-
Total Undist. Expend. - Guidance Services	805,810	(57,800)	748,010	724,782	23,228
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	616,295	(30,000)	586,295	579,218	7,077
Salaries of Secretarial and Clerical Assistants	85,332	-	85,332	77,377	7,955
Purchased Professional - Educational Services	75,700	(55,000)	20,700	13,519	7,181
Supplies and Materials	5,500	-	5,500	5,177	323
Other Objects	13,400	-	13,400	13,215	185
Total Undist. Expend. - Child Study Teams	796,227	(85,000)	711,227	688,507	22,720
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	138,649	(3,400)	135,249	119,263	15,986
Salaries of Other Professional Staff	319,694	-	319,694	312,639	7,055
Salaries of Secr and Clerical Assist.	14,272	5,075	19,347	19,347	0
Other Salaries	-	-	-	-	-
Purchased Prof- Educational Services	-	-	-	-	-
Other Purch Prof. and Tech. Services	-	-	-	-	-
Other Purch Services (400-500)	73,974	1,170	75,144	64,543	10,601
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Undist. Expend. - Improvement of Inst. Serv.	546,589	2,845	549,434	515,791	33,643
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	137,011	(803)	136,208	132,897	3,311
Salaries of Technology Coordinators	93,299	-	93,299	93,299	-
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	166,477	109	166,586	100,779	65,807
Other Objects	-	-	-	-	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	396,787	(694)	396,093	326,975	69,118
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	110,920	(25,000)	85,920	76,280	9,640
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assist	51,500	-	51,500	42,502	8,998
Other Salaries	-	-	-	-	-
Purchased Professional - Educational Service	145,000	3,475	148,475	102,572	45,904
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Other Purchased Services (400-500 series)	59,800	2,732	62,532	13,265	49,267
Supplies and Materials	14,420	-	14,420	2,036	12,384
Other Objects	5,000	(2,200)	2,800	-	2,800
Total Undist. Expend. - Instructional Staff Training Serv.	386,640	(20,993)	365,647	236,655	128,992
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	294,097	50,832	344,929	344,809	120
Legal Services	100,000	130,254	230,254	189,272	40,981
Audit Fees	23,562	-	23,562	22,753	809
Architectural/Engineering Services	22,500	(22,500)	-	-	-
Other Purchased Professional Services	10,000	1,995	11,995	11,945	50
Purchased Technical Services	20,659	(8,709)	11,950	9,386	2,564
Communications/Telephone	82,477	(40,696)	41,781	36,897	4,884
Other Purchased Services (400-500 series)	88,158	(5,624)	82,534	74,885	7,649
Other Purchased Prof. and Tech. Services	-	-	-	-	-
Rental	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
General Supplies	35,685	(7,482)	28,203	17,350	10,853
Judgements Against The School Distric	-	-	-	-	-
BOE Membership Dues and Fees	19,350	(3,000)	16,350	16,054	296
Miscellaneous Expenditures	-	-	-	-	-
Total Undist. Expend. - Supp. Serv. - General Admin.	696,488	95,070	791,558	723,351	68,207
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	715,375	-	715,375	715,276	99
Salaries of Other Professional Staff	213,869	-	213,869	211,184	2,685
Salaries of Secretarial and Clerical Assistants	385,880	5,214	391,094	391,094	0
Other Salaries	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	37,907	5,616	43,523	27,337	16,186
Supplies and Materials	57,681	(18,132)	39,549	32,326	7,222

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Rental		-			-
Other Objects	2,520	-	2,520	-	2,520
Total Undist. Expend. - Support Serv. - School Admin.	1,413,232	(7,303)	1,405,929	1,377,217	28,712
Undist. Expend. - Central Services					
Salaries	350,165	7,000	357,165	353,026	4,139
Other Purchased Services (400-500 series)	1,500	-	1,500	251	1,249
Supplies and Materials	7,500	109	7,609	5,719	1,889
Interest for Lease Purchase	25,144	1	25,145	25,144	1
Miscellaneous Expenditures	1,725	-	1,725	1,395	330
Total Undist. Expend. - Central Services	386,034	7,109	393,143	385,535	7,608
Undist. Expend. - Admin. Info. Tech.					
Salaries	88,295	28,585	116,880	116,880	0
Other Purchased Services		-			-
Supplies and Materials		-			-
Total Undist. Expend. - Admin. Info. Tech.	88,295	28,585	116,880	116,880	0
Undist. Expend. - Required Maint.- School Facilities					
Salaries	189,065	(6,000)	183,065	182,102	963
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Salaries of Other Professional Staff		-			-
Cleaning, Repair and Maintenance Services	212,500	430,055	642,555	497,884	144,670
Other Purchased Property Services		-			-
Insurance		-			-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	72,500	17,500	90,000	71,287	18,713
Energy (Energy and Electricity)		-			-
Other Objects		-			-
Total Undist. Expend. - Required Maint.- School Facilities	474,065	441,555	915,620	751,273	164,347
Undist. Expend. - Custodial Services					
Salaries	1,378,897	(668)	1,378,229	1,377,369	860
Salaries of Non-Instructional Aides	94,597	17,032	111,629	111,628	1
Other Salaries		-			-
Purchased Professional and Technical Services	32,844	(12,500)	20,344	20,166	178
Cleaning, Repair and Maintenance Services	377,960	(27,381)	350,579	316,970	33,609
Other Purchased Property Services	42,500	(1,093)	41,407	37,348	4,059
Insurance	214,189	12,043	226,232	225,931	301
Miscellaneous Purchased Services-Rental		-			-
Lease Purchase Pymts - Energy Savings Impr Prog	127,873	-	127,873	127,873	0
General Supplies	131,743	579,657	711,400	122,342	589,058
Energy - Natural Gas	352,448	(67,500)	284,948	191,473	93,475
Energy - Electricity	359,159	(30,000)	329,159	250,598	78,561
Energy - Gasoline	16,250	(7,200)	9,050	8,994	56
Other Objects	24,775	(13,500)	11,275	10,936	339
Total Undist. Expend. - Custodial Services	3,153,235	448,889	3,602,124	2,801,626	800,498
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	178,943	(73,800)	105,143	105,057	86
Purchased Professional and Technical Services	3,500	28,450	31,950	31,950	-
General Supplies	36,000	(15,302)	20,698	14,597	6,101
Total Undist. Expend. - Care and Upkeep of Grounds	218,443	(60,652)	157,791	151,604	6,187
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	3,845,743	829,793	4,675,536	3,704,504	971,032
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries of Non-Instructional Aides	94,461	-	94,461	93,248	1,213
Salaries - (Between Home and School) - Reg	150,410	(23,000)	127,410	127,111	299
Salaries - (Other than Bet. Home and School)	173,040	(56,000)	117,040	116,998	42
Cleaning, Repair and Maintenance Services	49,950	4,600	54,550	53,510	1,040
Contract Services - (Other than Bet. Home and School) - Vendors	15,000	44,121	59,121	55,934	3,187
Contract Services - (Between Home and School) - Joint		-			-
Contract Services - (Special Ed Stds) - Vendors		-			-
Contract Services - (Special Ed Stds) - Joint	335,618	(5,325)	330,293	171,568	158,725
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA	578,844	185,754	764,598	571,440	193,158
Aid in Lieu Of Pymts-NonPub Sch	180,000	(27,000)	153,000	148,574	4,426
Miscellaneous Purchased Services-Transportation	18,210	(18,210)	-	-	-
Supplies and Materials	50,000	(13,430)	36,570	33,292	3,278
Other Objects	2,500	-	2,500	1,151	1,349

Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undist. Expend. - Student Transportation Serv.	1,648,033	91,510	1,739,543	1,372,826	366,717
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Insurance		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	-	-	-	-	-
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	537,785	9,523	547,308	547,307	1
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - PERS	537,785	(12,000)	525,785	524,926	859
Other Retirement Contributions - Regular		-			-
Interest for Lease Purchase		-			-
Unemployment Compensation	62,000	18,000	80,000	80,000	-
Workmen's Compensation	218,791	21,828	240,619	221,992	18,627
Health Benefits	6,500,129	(693,682)	5,806,447	5,671,909	134,538
Tuition Reimbursement	47,520	(30,000)	17,520	-	17,520
Other Employee Benefits	20,543	(10,000)	10,543	3,819	6,724
TOTAL UNALLOCATED POST RETIRE. MED. CONTRIB.	7,924,553	(696,331)	7,228,222	7,049,953	178,269
On-behalf TPAF Pension Contributions (non-budgeted)		-		3,359,274	(3,359,274)
On-behalf TPAF- Non- Contributory Ins (non budgeted)		-		3,093	(3,093)
On-behalf TPAF OPEB (Post Retire. Medical) Contributions (non-budgeted)		-		1,246,229	(1,246,229)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		1,116,015	(1,116,015)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	5,724,611	(5,724,611)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,924,553	(696,331)	7,228,222	12,774,564	(5,546,342)
TOTAL UNDISTRIBUTED EXPENDITURES	23,873,902	392,049	24,265,951	27,463,242	(3,197,290)
TOTAL GENERAL CURRENT EXPENSE	40,364,874	924,754	41,289,628	43,626,698	(2,337,070)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Preschool/Kindergarten		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction		219,496	219,496	17,565	201,931
Undistributed Expenditures - Guidance		-			-
Undistributed Expenditures - Child Study Teams		-			-
Undistributed Expenditures - Inst. Staff		-			-
Undist.Expend.-Support Serv.-Students - Spl.		-			-
Undist.Expend.-Support Serv. - Related & Extra		-			-
Undistributed Expenditures - General Admin.		-			-

**Springfield Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - School Admin.		2,182	2,182	-	2,182
Undistributed Expenditures - Admin. Info. Tech.		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Required Maint for School Fac.		-			-
Undistributed Expenditures - Custodial Services		-			-
Undistributed Expenditures - Care and Upkeep of Grounds		-			-
Undistributed Expenditures - Non-Instr. Serv.		-			-
Schools Buses - Regular	100,000	4,550	104,550	104,547	3
Special Schools (All Programs)		-			-
Total Equipment	<u>100,000</u>	<u>226,228</u>	<u>326,228</u>	<u>122,112</u>	<u>204,116</u>
Facilities Acquisition and Construction Services					
Construction Services	1,350,000	(11,747)	1,338,253	1,021,970	316,284
Architectural/Engineering Services	119,000	14,596	133,596	113,843	19,754
Other Purchased Prof. Service		-			-
Supplies and materials		-			-
Other Objects		-			-
Infrastructure	271,921	-	271,921	254,614	17,307
Assessment for Debt Service on SDA Funding	57,595	-	57,595	51,835	5,760
Bldgs. Other than Lease Purchase Agreements		-			-
Lease Purchase Agreements - Principal	896,567	27,600	924,167	924,097	70
Total Facilities Acquisition and Construction Services	<u>2,695,083</u>	<u>30,450</u>	<u>2,725,533</u>	<u>2,366,358</u>	<u>359,175</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-			-
Assets Acquired Under Capital Leases (non-budgeted)		-			-
TOTAL CAPITAL OUTLAY	<u>2,795,083</u>	<u>256,678</u>	<u>3,051,761</u>	<u>2,488,470</u>	<u>563,291</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	56,422	26,363	82,785	82,784	1
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	5,075	3,006	8,081	7,848	234
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	<u>61,497</u>	<u>29,369</u>	<u>90,866</u>	<u>90,631</u>	<u>235</u>
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Summer School	<u>61,497</u>	<u>29,369</u>	<u>90,866</u>	<u>90,631</u>	<u>235</u>
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Special Schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2020

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

Springfield Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Supplies and Materials		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	61,497	29,369	90,866	90,631	235
Transfer of Funds to Charter Schools	13,026				-
TOTAL EXPENDITURES	43,234,480	1,210,801	44,432,255	46,205,799	(1,773,543)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(707,505)	(1,210,801)	(1,905,280)	2,258,360	4,163,640
Other Financing Sources(Uses):					
Operating Transfer In:		-			
ROUNDING ADJ		-			-
Operating Transfer Out:					
Transfer to Capital Projects Fund(net)		-		(698,721)	698,721
Capital Leases (non-budgeted)		-			-
Total Other Financing Sources:	-	-	-	(698,721)	698,721
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(707,505)	(1,210,801)	(1,905,280)	1,559,639	4,862,361
Fund Balance, July 1	7,823,485		7,823,485	7,823,485	
Fund Balance, June 30	<u>\$ 7,115,980</u>	<u>\$ (1,210,801)</u>	<u>\$ 5,918,205</u>	<u>\$ 9,383,124</u>	<u>\$ 4,862,361</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:	
Reserve for Capital Reserve	\$ 5,006,908
Maintenance Reserve	250,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	-
Reserve for Excess Surplus	157,121
Committed Fund Balance:	
Reserve for Impact Aid	
Reserve for encumbrances	2,788,455
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	84,860
Unrestricted Fund Balance	<u>1,095,780</u>
Subtotal	<u>9,383,124</u>
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment not recognized on GAAP basis	(195,799)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 9,187,325</u>

**Springfield Board of Education
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ -			
State Sources	84,855	26,146	111,001	105,068	
Federal Sources	532,351	297,800	830,151	644,202	
Total Revenues	617,206	323,946	941,152	749,270	-
EXPENDITURES:					
Instruction					
Salaries of Teachers	128,214	(53,514)	74,700	51,853	22,847
Other Salaries for Instruction		-			-
Other Salaries		-			-
Purchased Professional - Educational Services	55,077	15,503	70,580	69,741	839
Purchased Professional and Technical Services		-			-
Supplies and Materials		-			-
Other Purchased Services (400-500 series)		37,834	37,834	8,000	29,834
General Supplies	29,711	93,452	123,163	42,132	81,031
Textbooks	6,237	984	7,221	7,130	91
Tuition	369,118	29,347	398,465	398,465	-
Other Objects		1,500	1,500	1,500	-
Total Instruction	588,357	125,106	713,463	578,821	134,642
Support Services					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		5,967	5,967	4,934	1,033
Purchased Professional Services		113,663	113,663	111,838	1,825
Other Purchased Professional Services	28,849	7,643	36,492	31,489	5,003
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)		26,504	26,504	14,155	12,349
Supplies & Materials		7,062	7,062	6,533	529
Other Objects		1,500	1,500	1,500	-
Total Support Services	28,849	162,339	191,188	170,449	20,739

**Springfield Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		36,501	36,501		36,501
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	-	36,501	36,501	-	36,501
Transfer to Charter School					
					-
Total Expenditures	617,206	323,946	941,152	749,270	191,882
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	617,206	323,946	941,152	749,270	191,882
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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

**Springfield Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2020**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund		Special Revenue Fund
		<u> </u>		<u> </u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$48,464,159	[C-2]	\$ 749,270
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Prior year				61,366
Current year				(116,389)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(195,799)		
Prior year state aid payment recognized for GAAP purposes in current year		179,846		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 <u>\$48,448,206</u>	 [B-2]	 <u>\$ 694,247</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	46,205,799	[C-2]	749,270
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes:				
Prior year				61,366
Current year				(116,389)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund		_____		-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 <u>\$46,205,799</u>	 [B-2]	 <u>\$ 694,247</u>

***REQUIRED SUPPLEMENTARY INFORMATION
PART III***

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

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

	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0536%	0.0515%	0.0521%	0.0524%	0.0512%	0.0492%
District's proportionate share of the net pension liability	\$ 10,033,440	\$ 11,562,575	\$ 15,417,392	\$12,210,119	\$10,088,654	\$ 8,869,130
District's covered employee payroll	\$ 3,568,177	\$ 3,574,451	\$ 3,520,559	\$ 3,500,512	\$ 3,535,541	\$ 3,610,625
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281.20%	323.48%	437.92%	348.81%	285.35%	245.64%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 441,785	442,833	462,455	485,917	509,660	478,789
Contributions in relation to the contractually required contribution	\$ (441,785)	(442,833)	(462,455)	(485,917)	(509,660)	(478,789)
Contribution deficiency (excess)	\$ 0	0	0	0	0	0
District's covered employee payroll	\$ 3,568,177	\$ 3,574,451	\$ 3,520,559	\$ 3,500,512	\$ 3,535,541	\$ 3,610,625
Contributions as a percentage of its covered-employee payroll	12.40%	12.39%	13.14%	13.88%	14.42%	13.26%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.1486%	0.1467%	0.1470%	0.1483%	0.1457%	0.1464%
State's proportionate share of the net pension liability attributable to the District	\$ 79,427,155	\$ 92,705,011	\$ 115,689,436	\$ 99,987,252	\$ 92,684,178	\$ 89,817,351
District's covered employee payroll	\$ 15,139,586	\$ 15,263,559	\$ 15,318,384	\$ 15,814,051	\$ 15,857,647	\$ 16,000,642
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	524.70%	607.36%	755.23%	632.27%	584.48%	561.34%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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

***SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM AND
TEACHERS' PENSION AND ANNUITY FUND**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	3,173,071	2,631,984	2,362,540
Interest Cost	2,170,691	2,520,312	2,362,307
Differences between Expected and Actual Experiences		(5,844,701)	(9,383,569)
Changes of Assumptions	(9,036,777)	(6,825,145)	805,346
Member Contributions	58,447	54,965	49,149
Gross Benefit Payments	(1,587,271)	(1,590,361)	(1,658,054)
Net Change in Total OPEB Liability	(5,221,839)	(9,052,946)	(5,462,281)
Total OPEB Liability - Beginning	<u>73,750,577</u>	<u>68,528,738</u>	<u>59,475,792</u>
Total OPE Liability - Ending	<u><u>68,528,738</u></u>	<u><u>59,475,792</u></u>	<u><u>54,013,511</u></u>
Covered-Employee Payroll	18,838,943	19,314,563	19,393,187
Total OPEB Liability as a Percentage of Covered Employee Payroll	363.76%	307.93%	278.52%

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

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

NOT APPLICABLE

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

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

**Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020**

	Total Brought Forward (Ex. E-1b)	NCLB					Reallocated Title I	I.D.E.A.		Total
		Title I Part A	Title II Part A	Title IV	Title III Part A	Title III Immigrant		Basic 2019-2020	Preschool 2019-2020	
REVENUES										
Local Sources										\$ -
State Sources	105,068									105,068
Federal Sources		123,376	32,258	9,350	9,855	5,815		447,474	16,074	644,202
Total Revenues	105,068	123,376	32,258	9,350	9,855	5,815	-	447,474	16,074	749,270
EXPENDITURES:										
Instruction:										
Salaries of Teachers		48,653			1,200	2,000				51,853
Other Salaries for Instruction										-
Purchased Professional - Educational Services	66,449	-			3,292					69,741
Purchased Professional and Technical Services										-
Other Purchased Services (400-500 series)		8,000								8,000
Tuition								398,465		398,465
General Supplies		27,561		2,000	3,361	2,000			7,210	42,132
Textbooks	7,130									7,130
Other Objects		1,500								1,500
Supplies and Materials										-
Total instruction	73,579	85,714	-	2,000	7,853	4,000	-	398,465	7,210	578,821
Support services:										
Salaries of Other Professional Staff										-
Other Salaries										-
Personal Services - Employee Benefits		4,437			344	153				4,934
Purchased Professional Services		25,204	31,258	5,350		1,662		39,500	8,864	111,838
Other Purchased Professional Services	31,489									31,489
Purchased Technical Services										-
Rentals										-
Other Objects		1,500								1,500
Other Purchased Services (400-500 series)		3,046			1,600			9,509		14,155
Supplies & Materials		3,475	1,000	2,000	58					6,533
Total support services	31,489	37,662	32,258	7,350	2,002	1,815	-	49,009	8,864	170,449

Township of Springfield
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	Total Brought Forward (Ex. E-1b)	NCLB					Reallocated Title I	I.D.E.A.		Total
		Title I	Title II	Title IV	Title III	Title III		Basic	Preschool	
		Part A	Part A		Part A	Immigrant		2019-2020	2019-2020	
EXPENDITURES (CONT'D):										
Facilities acquisition and const. serv.:										
Buildings										-
Instructional Equipment										-
Noninstructional Equipment										-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools										-
Total Expenditures	105,068	123,376	32,258	9,350	9,855	5,815	-	447,474	16,074	749,270
Other Financing Sources										
Transfer in from General Fund										-
Contribution to Whole School Reform										-
	-	-	-	-	-	-	-	-	-	-
Total Outflows	105,068	123,376	32,258	9,350	9,855	5,815	-	447,474	16,074	749,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Township of Springfield School District
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
 For the Fiscal Year Ended June 30, 2020

	N.J. Nonpublic Security Aid	N.J. Nonpublic Nursing Services	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Technology Services	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
					Transportation	Compensatory Education	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES										
State Sources	\$ 19,084	\$ 9,752	\$ 7,130	\$ 4,418	\$ 2,653	\$ 34,233	\$ 7,206	\$ 11,934	\$ 8,658	\$ 105,068
Total Revenues	19,084	9,752	7,130	4,418	2,653	34,233	7,206	11,934	8,658	105,068
EXPENDITURES										
Instruction:										
Purchased Professional - Educational Services				4,418		34,233	7,206	11,934	8,658	66,449
Textbooks			7,130							7,130
Total instruction	-	-	7,130	4,418	-	34,233	7,206	11,934	8,658	73,579
Support Services:										
Other Purchased Professional Services	19,084	9,752			2,653					31,489
Total Support Services	19,084	9,752	-	-	2,653	-	-	-	-	31,489
Total Expenditures	19,084	9,752	7,130	4,418	2,653	34,233	7,206	11,934	8,658	105,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

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

**Springfield Board of Education
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2020**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Adjustments</u>	<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Tree Top Property Remediation	08/01/2013	\$ 371,875	\$ 72,875			\$ 299,000
Energy Savings Improvement Program (ESIP)	12/17/2014	2,375,000	2,375,000		-	\$ -
FMG Athletic Field and JDHS IMC Media Projects	07/20/2015	1,500,000	1,500,000			\$ -
Interior Renovation Project - Auditorium and Room 222	06/19/2017	1,500,000	1,500,000		-	\$ -
James Caldwell Façade Rehabilitation Phase I Project	07/29/2019	711,594	0	680,404		31,190
James Caldwell Façade Rehabilitation Phase II Project	12/09/2019	393,000	0	18,600		374,400
		<u>\$ 6,851,469</u>	<u>\$ 5,447,875</u>	<u>\$ 699,004</u>	<u>\$ -</u>	<u>\$ 704,590</u>

Exhibit F-2

Springfield Board of Education
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2020

Revenues and Other Financing Sources:

Lease Purchasing Financing for Interior Renovation Project	
State Aid - ROD IV Grant	
Interest Income	283
Total Revenues	<u>283</u>

Expenditures and Other Financing Uses:

Other Purchased Professional and Technical Services	112,765
Construction services	586,239
Total Expenditures	<u>699,004</u>
Excess (Deficiency) of revenues over (under) expenditures	(698,721)
Fund Balance - Beginning	10,080
Transfers In- General Fund	699,004
Transfers Out- General Fund	<u>\$ (283)</u>
Fund Balance - Ending	<u><u>\$ 10,080</u></u>

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

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

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

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

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

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

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

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

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 COUNTY OF UNION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Agency			Trust		Totals
	Student Activities	Payroll	Total Agency	Unemployment Compensation	Total Trust	
ASSETS:						
Cash and Cash Equivalents	\$ 282,215	747,298	1,029,513	3,618	3,618	1,033,131
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 282,215	747,298	1,029,513	3,618	3,618	1,033,131
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES:						
Accounts Payable	\$ -		-		-	-
Interfund Payable - General Fund			-		-	-
Accrued Salaries and Wages		541,444	541,444		-	541,444
Payroll Deductions and Withholdings		205,854	205,854		-	205,854
Due to Student Groups	282,215		282,215		-	282,215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 282,215	747,298	1,029,513	-	-	1,029,513
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET ASSETS:						
Reserved for Unemployment Claims	\$ -			3,618	3,618	3,618
Reserved for Flexible Spending Claims					-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Net Assets	\$ -	-	-	3,618	3,618	3,618
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Exhibit H-3

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Schools</u>	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2020</u>
Early childhood center:				
Edward V. Walton	\$ 28,552	\$ 17,015	9,793	\$ 35,774
Elementary Schools:				
James Caldwell	\$ 2,287	\$ 2,538	1,924	\$ 2,901
Thelma L. Sandmeier	4,103	4,134	530	7,707
Middle School:				
Florence M. Gaudineer	\$ 93,555	\$ 96,515	75,606	\$ 114,464
High schools:				
Jonathan Dayton	\$ 96,368	\$ 106,144	90,103	\$ 112,409
Athletic Activities	3,647	38,681	33,368	8,960
	<u>\$ 228,512</u>	<u>\$ 265,027</u>	<u>\$ 211,324</u>	<u>\$ 282,215</u>

Exhibit H-4

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
ASSETS:				
Cash and cash equivalents	\$ <u>709,079</u>	\$ <u>13,228,701</u>	<u>13,190,482</u>	\$ <u>747,298</u>
Total assets	\$ <u><u>709,079</u></u>	\$ <u><u>13,228,701</u></u>	<u><u>13,190,482</u></u>	\$ <u><u>747,298</u></u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 194,255	\$ 12,313,190	12,301,591	\$ 205,854
Accrued salaries and wages	<u>514,824</u>	<u>915,511</u>	<u>888,891</u>	<u>541,444</u>
Total liabilities	\$ <u><u>709,079</u></u>	\$ <u><u>13,228,701</u></u>	\$ <u><u>13,190,482</u></u>	\$ <u><u>747,298</u></u>

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS AND LOANS
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities of Bonds and Loans Outstanding June 30, 2020		Interest Rate	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
			Date	Amount					
Refunding School Bonds; Advance refunded \$8,774,000 of the Bonds originally issued on 06/30/03 and maturing on or after 06/15/23	11/13/2012	8,485,000	6/15/2021	860,000	3.00%	3,520,000	0	850,000	2,670,000
			6/15/2022	900,000					
			6/15/2023	910,000					
Lease Purchase Financing for the ESIP which commences on 12/17/14 and matures on 12/17/34	12/17/2014	2,375,000	6/17/2021	76,354	2.84%	2,047,803	0	70,232	1,977,571
			6/17/2022	82,776					
			6/17/2023	89,510					
			6/17/2024	96,569					
			6/17/2025	104,772					
			6/17/2026	111,743					
			6/17/2027	119,857					
			6/17/2028	128,356					
			6/17/2029	137,253					
			6/17/2030	146,561					
			6/17/2031	156,299					
			6/17/2032	166,487					
			6/17/2033	177,141					
			6/17/2034	188,281					
6/17/2035	195,612								
Lease Purchase Financing for Equipment associated with the FMG Athletic Field Project and the JDHS IMC Media Center Project	7/20/2015	1,500,000	9/15/2020	290,000	1.78%	570,000	0	280,000	290,000
Lease Purchase Financing of Equipment associated with the Jonathon Dayton High School Renovation Project	9/29/2017	1,500,000	10/1/2020	124,424	1.72%	1,009,537	0	245,682	763,855
			4/2/2021	125,491					
			10/1/2021	126,567					
			4/1/2022	127,652					
			10/1/2022	259,721					
Totals						<u>7,147,340</u>	<u>0</u>	<u>1,445,914</u>	<u>5,701,426</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
June 30, 2020

Series	Amount of Original Issue	Amount Outstanding July 1, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Apple Laptop Computers	1,819,400	741,769		370,885	370,884
		\$ <u>741,769</u>	\$ <u>0</u>	\$ <u>370,885</u>	\$ <u>370,884</u>

**Township of Springfield School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 955,600		\$ 955,600	\$ 955,600	\$ -
State Sources:					
Debt Service Aid Type II		-			-
Debt Service Aid Type I		-			-
Total - State Sources	-	-	-	-	-
Total Revenues	955,600	-	955,600	955,600	-
EXPENDITURES:					
Regular Debt Service:					
Interest	105,600		105,600	105,600	
Redemption of Principal	850,000		850,000	850,000	
Total Regular Debt Service	955,600	-	955,600	955,600	-
Total expenditures	955,600	-	955,600	955,600	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Transfers from General Fund					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 2</u>		<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	96-102
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	103-106
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	107-110
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	111-112
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	113-117

FINANCIAL TRENDS

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Net Assets by Component,
For the Year Ended June 30, 2020
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020
Governmental activities							
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476	\$ 27,926,260	\$ 31,559,627	\$ 36,113,780	\$ 39,991,608	\$ 42,366,887
Restricted	2,875,119	7,191,747	8,059,385	6,015,972	4,671,760	4,965,711	5,424,111
Unrestricted	1,256,681	(13,474,988)	(11,044,621)	(10,428,670)	(10,590,151)	(11,111,266)	(9,552,807)
Total governmental activities net assets	\$ 25,935,960	\$ 19,867,235	\$ 24,941,024	\$ 27,146,929	\$ 30,195,389	\$ 33,846,053	\$ 38,238,191
Business-type activities							
Invested in capital assets, net of related debt					\$ 166,317	\$ 154,058	\$ 212,598
Restricted							
Unrestricted	415,752	574,217	741,005	851,495	773,264	926,699	615,403
Total business-type activities net assets	\$ 415,752	\$ 574,217	\$ 741,005	\$ 851,495	\$ 939,581	\$ 1,080,757	\$ 828,001
District-wide							
Invested in capital assets, net of related debt	\$ 21,804,160	\$ 26,150,476	\$ 27,926,260	\$ 31,559,627	\$ 36,280,097	\$ 40,145,666	\$ 42,579,485
Restricted	2,875,119	7,191,747	8,059,385	6,015,972	4,671,760	4,965,711	5,424,111
Unrestricted	1,672,433	(12,900,771)	(10,303,616)	(9,577,175)	(9,816,887)	(10,184,567)	(8,937,404)
Total district net assets	\$ 26,351,712	\$ 20,441,452	\$ 25,682,029	\$ 27,998,424	\$ 31,134,970	\$ 34,926,810	\$ 39,066,192

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 14,282,597	\$ 14,789,703	\$ 15,418,585	\$ 14,690,444	\$ 15,623,930	\$ 15,167,374	\$ 16,045,867	\$ 16,071,665	\$ 16,518,532	\$ 16,964,705
Special education	4,451,321	4,679,412	5,086,541	5,325,867	5,281,962	6,112,962	5,887,225	7,243,994	7,738,550	8,192,110
Other special education	492,702	545,467	483,635	484,175	514,988	614,758	582,521	586,525	614,609	643,638
Vocational										
Other instruction	795,729	776,530	784,016	878,814	881,014	992,785	1,015,813	1,088,776	1,099,970	1,086,355
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	2,412,685	2,767,824	2,517,149	2,798,724	2,651,902	2,461,704	2,768,824	3,363,319	3,299,975	3,076,302
Student & instruction related services	3,746,737	3,951,796	4,079,505	4,086,994	4,209,773	4,192,695	4,602,063	4,706,182	4,918,047	4,712,963
School Administrative services	1,496,572	1,507,235	1,563,798	1,579,456	1,667,121	1,755,917	1,819,159	1,839,326	1,895,051	1,953,079
General administration	700,443	850,177	690,941	738,722	933,654	961,219	725,227	792,368	860,910	869,487
Central Services										
Plant operations and maintenance	4,057,042	3,899,941	4,893,280	4,446,902	5,136,202	5,019,593	4,803,903	4,760,820	4,759,032	4,997,267
Administrative information technology										
Pupil transportation	1,393,058	1,498,751	1,567,061	1,689,880	1,578,585	1,885,257	2,192,414	2,129,808	2,198,022	1,947,369
Other support services	517,685	532,330	553,604	543,585	601,257	593,572	644,048	660,349	693,564	717,866
Special Schools	59,203	62,300	56,397	59,818	60,235	69,810	54,887	85,416	67,461	90,631
Charter Schools										
Proportionate share of pension plan expense					554,628	(157,494)	997,672	398,831	305,027	(499,842)
Interest on long-term debt	407,750	386,825	4,862	249,494	261,717	175,947	176,498	157,307	129,121	99,665
Compensated Absences	52,924	57,270	10,297	54,280	75,219	(106,222)	(106,222)	161,211	22,905	32,604
Total governmental activities expenses	34,866,448	36,305,561	37,709,671	37,627,155	40,032,187	39,739,877	42,209,899	44,045,897	45,120,776	44,884,199
Business-type activities:										
Food service	624,338	753,230	704,127	625,144	570,216	705,519	747,840	811,933	894,439	683,726
Child Care	357,898	425,884	558,836	651,379	614,507	696,653	748,509	805,997	795,463	779,923
Total business-type activities expense	982,236	1,179,114	1,262,963	1,276,523	1,184,723	1,402,172	1,496,349	1,617,930	1,689,902	1,463,649
Total district expenses	\$ 35,848,684	\$ 37,484,675	\$ 38,972,634	\$ 38,903,678	\$ 41,216,910	\$ 41,142,049	\$ 43,706,248	\$ 45,663,827	\$ 46,810,678	\$ 46,347,848
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 53,960	\$ 75,416	\$ 85,893	\$ 133,328	\$ 72,993	\$ 80,550	\$ 100,508	\$ 162,734	\$ 41,256	\$ 7,700
Plant operations and maintenance	21,750	20,913	28,150	25,213	17,675	20,950	22,950	144,051	143,438	91,555
Pupil transportation	11,684	14,203	11,876	14,168	19,234	12,919	18,313	15,385	22,372	9,290
Central and other support services										
Operating grants and contributions	2,960,363	3,297,083	3,797,872	3,349,657	3,858,763	4,366,543	4,802,783	5,457,683	6,185,824	6,418,858
Capital grants and contributions	137,125	505,153		14,236	488,275	389,350	-	-	-	-
Total governmental activities program revenues	3,184,882	3,912,768	3,923,791	3,536,602	4,456,940	4,870,312	4,944,554	5,779,853	6,392,890	6,527,403

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Food service	509,778	586,232	519,081	509,507	514,973	608,166	634,016	681,348	737,700	535,216
Child care	414,544	482,733	559,002	674,452	674,019	767,246	765,709	844,010	806,853	504,832
Operating grants and contributions	120,565	110,036	123,779	145,130	147,775	185,837	197,748	212,106	229,582	159,597
Capital grants and contributions										
Total business type activities program revenues	1,044,887	1,179,001	1,201,862	1,329,089	1,336,767	1,561,249	1,597,473	1,737,464	1,774,135	1,199,645
Total district program revenues	\$ 4,229,769	\$ 5,091,769	\$ 5,125,653	\$ 4,865,691	\$ 5,793,707	\$ 6,431,561	\$ 6,542,027	\$ 7,517,317	\$ 8,167,025	\$ 7,727,048
Net (Expense)/Revenue										
Governmental activities	\$ (31,681,566)	\$ (32,392,793)	\$ (33,785,880)	\$ (34,090,553)	\$ (35,575,247)	\$ (34,869,565)	\$ (37,265,345)	\$ (38,266,044)	\$ (38,727,886)	\$ (38,356,796)
Business-type activities	62,651	(113)	(61,101)	52,566	152,044	159,077	101,124	119,534	84,233	(264,004)
Total district-wide net expense	\$ (31,618,915)	\$ (32,392,906)	\$ (33,846,981)	\$ (34,037,987)	\$ (35,423,203)	\$ (34,710,488)	\$ (37,164,221)	\$ (38,146,510)	\$ (38,643,653)	\$ (38,620,800)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 31,775,534	\$ 32,411,045	\$ 33,008,662	\$ 33,668,835	\$ 35,932,497	\$ 36,640,363	\$ 37,362,178	\$ 38,098,213	\$ 38,848,752	\$ 39,614,068
Taxes levied for debt service	1,093,025	1,107,475	1,111,175	1,003,550	992,595	987,800	979,250	975,250	965,652	955,600
Unrestricted grants and contributions	426,267	1,057,515	1,413,480	1,624,296	1,557,155	1,485,976	1,592,153	1,836,571	2,259,675	2,384,052
Tuition Received										
Investment earnings	119,998	113,124	118,420	79,268	80,326	95,163	108,570	124,366	155,443	123,526
Miscellaneous income	301,103	333,820	444,826	213,244	374,055	234,404	428,655	289,348	280,291	493,687
Capital lease payments	199,799	358,735	335,529	1,013,277	355,746	355,746	691,608	640,579	376,171	370,885
Fixed asset adjustment		(314,543)	(312,740)	(376,798)	206,421		(2,115,831)	(1,290,681)	(920,681)	(1,788,798)
GASB #68 Prior Period Adjustment-Pension Plan					(9,992,276)					
Section 1701 Adjustment									(124,987)	
Capital projects fund adjstment				-						
Repayment of bond principal(net)				-						
Lease Purchase Payments						143,902	424,667	598,172	580,919	595,914
Interest expense										
Total governmental activities	33,915,726	35,067,171	36,119,352	37,225,672	29,506,519	39,943,354	39,471,250	41,271,818	42,421,235	42,748,934
Business-type activities:										
Investment earnings	1,702	9,902	8,775	7,137	6,421	7,711	9,365	11,239	14,257	11,248
Transfers										
Total business-type activities	1,702	9,902	8,775	7,137	6,421	7,711	9,365	11,239	14,257	11,248
Total district-wide	\$ 33,917,428	\$ 35,077,073	\$ 36,128,127	\$ 37,232,809	\$ 29,512,940	\$ 39,951,065	\$ 39,480,615	\$ 41,283,057	\$ 42,435,492	\$ 42,760,182
Change in Net Assets										
Governmental activities	\$ 2,234,160	\$ 2,674,378	\$ 2,333,472	\$ 3,135,119	\$ (6,068,728)	\$ 5,073,789	\$ 2,205,905	\$ 3,005,774	\$ 3,693,349	\$ 4,392,138
Business-type activities	64,353	9,789	(52,326)	59,703	158,465	166,788	110,489	130,773	98,490	(252,756)
Total district	\$ 2,298,513	\$ 2,684,167	\$ 2,281,146	\$ 3,194,822	\$ (5,910,263)	\$ 5,240,577	\$ 2,316,394	\$ 3,136,547	\$ 3,791,839	\$ 4,139,382

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
For the Year Ended June 30, 2020
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020
General Fund							
Reserved	\$ 1,601,097	\$ 2,355,541	\$ 3,360,928	\$ 4,974,262	\$ 4,625,400	\$ 4,955,629	\$ 5,414,029
Committed					1,233,058	1,210,801	2,788,455
Assigned	2,085,651	2,555,726	3,450,497	2,514,767	196,250	707,505	84,860
Unreserved	825,735	869,515	770,362	888,576	1,007,596	769,704	899,981
Total general fund	<u>\$ 4,512,483</u>	<u>\$ 5,780,782</u>	<u>\$ 7,581,787</u>	<u>\$ 8,377,605</u>	<u>\$ 7,062,304</u>	<u>\$ 7,643,639</u>	<u>\$ 9,187,325</u>
All Other Governmental Funds							
Reserved, reported in:							
Capital projects fund		\$ 2,212,584	\$ 1,753,792	\$ 420,319	\$ 46,360	\$ 1,724	\$ 1,724
Assigned, reported in:							
Capital projects fund	\$ 1,135,428	13,698	47,220	96,179			
Debt service fund	3,300						
Unreserved, reported in:							
Special revenue fund	-	-	-	-	-	-	-
Capital projects fund	135,294	397,340	(345,959)	(396,027)	403,133	8,356	8,356
Debt service fund						2	2
Permanent fund	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,274,022</u>	<u>\$ 2,623,622</u>	<u>\$ 1,455,053</u>	<u>\$ 120,471</u>	<u>\$ 449,493</u>	<u>\$ 10,082</u>	<u>\$ 10,082</u>

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

Fiscal Year Ending June 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Local Tax Levy	\$ 40,569,668	\$ 39,814,404	\$ 39,073,463	\$ 38,341,428	\$ 36,640,363	\$ 36,925,092	\$ 34,672,385	\$ 34,119,837	\$ 33,518,520	\$ 32,868,559
Interest on Investments	123,526	155,443	124,366	108,570	95,163					
Transportation Fees	9,290	22,372	15,385	18,313	12,919					
Tuition	7,700	41,256	162,734	100,508	80,550					
Rental Facilities	91,555	143,438	144,051	22,950	20,950					
Other Local Revenue	493,687	280,291	289,348	428,655	234,405	564,283	463,338	614,230	691,567	581,371
State sources	8,179,937	7,742,778	6,619,389	5,808,370	5,611,421	5,243,023	4,439,084	4,689,262	3,636,571	2,575,611
Federal sources	622,973	702,721	674,865	586,566	630,448	661,173	549,105	522,090	583,400	794,031
Total revenue	50,098,336	48,902,703	47,103,601	45,415,360	43,326,219	43,393,571	40,123,912	39,945,419	38,430,058	36,819,572
Expenditures										
Instruction:										
Regular	11,434,732	11,308,606	11,225,557	11,115,512	11,233,057	11,162,482	11,074,562	10,974,302	10,604,825	10,324,098
Special	3,501,456	3,277,410	3,167,434	2,798,169	2,846,913	2,645,072	2,558,411	2,441,128	2,319,024	2,233,785
Other	320,458	310,133	299,584	301,787	363,631	290,667	281,888	258,606	342,539	302,307
School-Sponsored/Other Instructional	906,810	930,817	929,365	859,850	853,270	824,934	828,242	727,759	725,798	748,130
Total Instruction	16,163,456	15,826,966	15,621,940	15,075,318	15,296,871	14,923,155	14,743,103	14,401,795	13,992,186	13,608,320
Undistributed:										
Instruction	3,076,302	3,299,975	3,363,319	2,768,824	2,461,704	2,651,902	2,798,724	2,517,149	2,767,824	2,412,685
Support Services-Students	3,932,062	4,179,411	4,022,787	3,948,241	3,523,502	3,542,747	3,510,362	3,469,909	3,176,554	3,040,600
Support Services-Instructional Staff	502,415	490,580	469,056	456,892	426,154	404,976	391,870	384,831	244,464	242,184
General Administration	723,351	722,587	661,839	596,456	845,607	817,493	608,295	546,300	1,099,480	952,334
School Administration	1,377,218	1,352,740	1,328,082	1,312,546	1,305,381	1,270,469	1,221,308	1,163,505	1,146,352	1,156,257
Operations and Maintenance	3,704,504	3,541,083	3,613,014	3,712,113	4,042,941	4,014,545	3,713,559	4,077,495	3,164,271	3,366,796
Student Transportation	1,372,826	1,656,730	1,619,691	1,693,331	1,438,810	1,382,304	1,512,879	1,370,160	1,321,189	1,226,461
Business and Other Support Services:										
Employee Benefits	7,049,953	6,539,496	6,296,851	5,920,288	5,704,239	5,863,891	5,062,854	5,537,967	5,392,788	5,185,713
Other										
Food Services										
On-behalf TPAF Pension Contributions	4,608,596	4,275,001	3,620,251	3,061,775	2,579,460	2,051,838	1,659,482	2,059,099	1,394,462	997,852
Reimbursed TPAF Social Security Contributions	1,116,015	1,110,551	1,116,143	1,085,273	1,085,572	1,080,758	1,052,864	1,072,966	1,093,330	1,079,420
Total Undistributed	27,463,242	27,168,154	26,111,033	24,555,739	23,413,370	23,080,923	21,532,197	22,199,381	20,800,714	19,660,302
Capital Outlay:										
Equipment								520,063	530,885	532,837
Facilities Acquisition and Construction Services	3,187,474	3,807,289	6,074,952	4,633,196	4,712,220	3,364,293	3,547,654		25,174	15,342
Lease Purchase Agreements										
Assets Acquired Under Capital Leases				1,819,400						1,250,000
Total Capital Outlay	3,187,474	3,807,289	6,074,952	6,452,596	4,712,220	3,364,293	3,547,654	520,063	556,059	1,798,179
Special Schools	90,831	67,461	85,416	54,887	69,810	60,235	59,818	56,397	62,300	59,203
Total General Fund Expenditures	46,904,803	46,869,870	47,893,341	46,138,540	43,492,271	41,428,606	39,882,772	37,177,636	35,411,259	35,126,004
Special Revenue:										
Federal	597,109	691,607	648,027	69,169	630,448	661,173	549,105	522,090	533,461	782,047
State	97,138	108,665	73,262	586,566	71,063	64,994	88,206	143,717	141,739	109,706
Other									134,091	16,988
Total Special Revenue Expenditures	694,247	800,272	721,289	655,735	701,511	726,167	637,311	665,807	809,291	908,741
Debt Service Expenditures	955,600	965,650	975,250	979,250	987,800	995,900	1,003,550	1,107,870	1,107,475	1,103,026

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

Fiscal Year Ending June 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Governmental Fund Expenditures	48,554,650	48,635,792	49,589,880	47,773,525	45,181,582	43,150,673	41,523,633	38,951,313	37,328,025	37,137,770
Excess (Deficiency) of revenues over (under) expenditures	1,543,686	266,911	(2,486,279)	(2,358,165)	(1,855,363)	242,898	(1,399,721)	994,106	1,102,033	(318,198)
Other Financing sources (uses)										
Proceeds from borrowing				1,819,400			1,790,295			1,250,000
Capital leases (non-budgeted)		(124,987)								
Section 1701 Adjustment			1,500,000		1,500,000	2,375,000				
Lease Purchase										
Proceeds from refunding							(5)	(214,065)		
Fund balance adjustment										
Transfers in	699,287	335,150	827,570	1,387	554	483	1,983,457		536	
Transfers out	(699,287)	(335,150)	(827,570)	(1,387)	(554)	(483)	(1,983,457)		(1,033,824)	
Total other financing sources (uses)	-	(124,987)	1,500,000	1,819,400	1,500,000	2,375,000	1,790,290	(214,065)	(1,033,288)	1,250,000
Net change in fund balances	\$ 1,543,686	\$ 141,924	\$ (986,279)	\$ (538,765)	\$ (355,363)	\$ 2,617,898	\$ 390,569	\$ 780,041	\$ 68,745	\$ 931,802
Debt service as a percentage of noncapital expenditures	2.11%	2.15%	2.24%	2.37%	2.44%	2.50%	2.64%	2.88%	3.01%	3.12%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

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

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>TUITION</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TRANSPORTATION FEES</u>	<u>RENTAL OF FACILITIES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2020	\$ 7,700	\$ 123,243	\$ 9,290	\$ 91,555	\$ 493,686	\$ 725,474
2019	41,256	154,843	22,372	143,438	280,291	642,200
2018	162,734	121,476	15,385	144,051	289,348	732,994
2017	100,508	107,183	18,313	22,950	428,655	677,609
2016	80,550	94,609	12,919	20,950	234,405	443,433
2015	72,993	79,848	19,234	17,675	374,055	563,805
2014	133,228	79,268	14,168	25,213	211,461	463,338
2013	85,893	118,420	11,876	28,150	369,891	614,230

Source: District Records

REVENUE CAPACITY

Exhibit J-6

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

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2010	1,100,810,619	2,911,049,232	37.81%
2011	1,110,094,577	2,828,141,764	39.25%
2012	1,108,732,175	2,811,225,426	39.22%
2013	1,107,981,757	2,674,955,492	41.42%
2014	1,111,606,018	2,513,244,445	44.23%
2015	1,112,380,558	2,481,884,333	44.82%
2016	1,112,422,694	2,408,884,135	46.18%
2017	1,108,844,532	2,469,037,034	44.91%
2018	1,111,262,920	2,647,218,506	41.98%
2019	1,112,290,224	2,872,453,197	38.72%

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

Exhibit J-7

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

Assessment Year	Township of Springfield School District	Regional High School	Springfield Township	Open Spaces	Union County	Total
2010	2.99	-	1.73	0.04	1.02	5.78
2011	3.02	-	1.96	0.04	1.09	6.11
2012	3.08	-	2.02	0.04	1.14	6.27
2013	3.13	-	2.02	0.04	1.18	6.37
2014	3.32	-	2.05	0.03	1.16	6.57
2015	3.38	-	2.11	0.03	1.17	6.69
2016	3.47	-	2.15	0.03	1.14	6.77
2017	3.52	-	2.19	0.03	1.16	6.91
2018	3.52	-	2.19	0.03	1.16	6.91
2019	3.59	-	2.31	0.04	1.27	7.33

Source: Tax Collector.

Exhibit J-8

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2019**

<u>Taxpayer</u>	<u>Assessed Valuation 2019</u>	<u>As a % of District's Net Assessed Valuation</u>
Baltusrol Golf Club	\$ 18,041,900	1.62%
Springfield Gardens LLC	15,208,200	1.37%
Skyline Ridge Developers, LLC	9,855,000	0.89%
Toresco Automotive Property Holding	9,780,300	0.88%
Summit Hill at Springfield	9,226,900	0.83%
Short Hills Club Village	7,999,000	0.72%
The Villas	6,600,000	0.59%
Springfield Holdings 2013	6,566,400	0.59%
Springfield Associates	6,237,400	0.56%
Briant Park Commons	6,182,400	0.56%
Total	\$ 95,697,500	8.60%

Source: Municipal Tax Collector

Exhibit J-9

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

Year Ended December 31,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
2010	64,609,405	64,026,431	99.10%
2011	67,881,993	67,181,452	98.97%
2012	69,674,450	69,150,646	99.25%
2013	71,072,355	70,226,764	98.81%
2014	73,380,892	72,720,341	99.10%
2015	74,764,109	74,247,824	99.31%
2016	75,728,611	75,131,292	99.21%
2017	77,051,930	76,522,316	99.31%
2018	78,749,481	78,695,180	99.93%
2019	80,857,230	80,210,868	99.20%

Source: Township of Springfield Tax Collector.

DEBT CAPACITY

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
For the Year Ended June 30, 2020

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Lease Purchase ESIP	Capital Leases	Total District		
2020	\$ 2,670,000	\$ 370,884	\$ 3,031,426		\$ 6,072,310	0.51%	\$ 348
2019	3,520,000	741,769	3,627,340		7,889,109	0.70%	450
2018	4,355,000	1,117,940	4,208,259		9,681,199	0.88%	546
2017	5,175,000	1,758,519	3,306,431		9,112,158	0.87%	522
2016	5,975,000	630,727	3,731,098	-	10,336,825	1.03%	591
2015	6,760,000	986,473	2,375,000	-	10,121,473	1.08%	589

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

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

Exhibit J-11

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

<u>Fiscal Year Ended June 30,</u>	<u>Estimated School District Population</u>	<u>Assessed Value</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2010	15,817	1,100,810,619	10,219,000	0.93%	646
2011	15,907	1,110,094,577	9,509,000	0.86%	598
2012	16,862	1,108,732,175	8,285,000	0.75%	491
2013	16,824	1,107,981,757	7,530,000	0.68%	448
2014	17,193	1,111,606,018	6,760,000	0.61%	393
2015	17,502	1,112,380,558	5,975,000	0.54%	341
2016	17,447	1,112,422,694	5,175,000	0.47%	297
2017	17,726	1,108,844,532	4,355,000	0.39%	246
2018	17,517	1,111,262,920	3,520,000	0.32%	201
2019	17,464	1,112,290,224	2,670,000	0.24%	153

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

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

Exhibit J-12

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED**

Net Direct Debt of School District as of June 30, 2020		\$ 2,670,000
Net Overlapping Debt of School District:		
Township of Springfield (100%)	\$ 227,400,000	
County of Union - Township's share (9.63%)	<u>22,411,217</u>	
		<u>249,811,217</u>
Total Direct and Overlapping Bonded Debt as of June 30, 2020		\$ <u><u>252,481,217</u></u>

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

Exhibit J-13

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
FOR FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED**

*Equalized Valuation Basis	\$	2,872,453,197
School borrowing margin (4% of \$2,872,453,197)	\$	114,898,128
Net bonded school debt as of June 30, 2020		2,670,000
School borrow margin available	\$	<u>112,228,128</u>

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Union County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2010	3.50%	49,040	15,817
2011	3.50%	50,448	15,907
2012	3.50%	51,860	16,862
2013	6.80%	53,816	16,824
2014	4.50%	54,382	17,193
2015	3.80%	57,306	17,502
2016	3.40%	60,089	17,447
2017	3.30%	61,808	17,726
2018	3.10%	64,413	17,517
2019	2.30%	68,262	17,464

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

Exhibit J-15

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Principal Employers,
Current Year

2020

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

N/A - Data Not Available

OPERATING INFORMATION

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2020

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction									
Regular	141	143	143	144	141	141	152	154	154
Special education	93	94	94	105	99	99	110	113	116
Other special education	8	8	8	8	9	9	9	9	9
Vocational	-	-	-	-	-	-	-	-	-
Other instruction	2	2	2	2	5	5	5	5	5
Nonpublic school programs	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-
Support Services:									
Student & instruction related services	13	13	13	13	17	17	17	17	17
General administration	4	4	4	4	4	4	4	4	4
School administrative services	14	14	14	14	16	16	16	16	16
Other administrative services	-	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-	-
Administrative Information Technology	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	29	29	29	29	34	34	36	36	36
Pupil transportation	7	7	7	7	16	16	16	16	16
Other support services	6	6	6	6	6	6	6	6	6
Special Schools	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-
Child Care	17	17	17	17	17	17	17	17	17
Total	<u>335</u>	<u>338</u>	<u>338</u>	<u>350</u>	<u>365</u>	<u>365</u>	<u>389</u>	<u>394</u>	<u>397</u>

Source: District Personnel Records

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
Operating Statistics,
For the Year Ended June 30, 2020

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	2,172	\$ 35,664,491	\$ 16,420	-0.08%	207	20:1	21:1	23:1	2,171.7	2070.2	1.48%	95.33%
2013	2,251	\$ 37,323,380	\$ 16,581	0.90%	207	20:1	21:1	23:1	2,251.1	2,137.1	3.04%	94.94%
2014	2,311	\$ 36,972,429	\$ 15,998	-3.51%	207	20:1	21:1	23:1	2,311.1	2,204.5	6.49%	95.39%
2015	2,293	\$ 38,887,895	\$ 16,959	6.01%	207	20:1	21:1	23:1	2,293.0	2,191.0	2.51%	95.55%
2016	2,270	\$ 36,699,525	\$ 16,167	-4.67%	207	20:1	21:1	23:1	2,270.0	2,170.0	-0.96%	95.59%
2017	2,222	\$ 40,341,679	\$ 18,156	12.30%	207	20:1	20:1	23:1	2,222.0	2,118.0	-2.11%	95.32%
2018	2,238	\$ 42,539,678	\$ 19,008	4.69%	207	20:1	20:1	23:1	2,238.0	2,127.0	0.72%	95.04%
2019	2,244	\$ 43,862,853	\$ 19,547	1.40%	207	20:1	20:1	23:1	2,244.0	2,109.0	0.27%	93.98%
2020	2,279	\$ 44,411,576	\$ 19,487	-0.30%	207	20:1	20:1	23:1	2,279.0	2,112.2	1.56%	92.68%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

District Building

Elementary/Middle Schools

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Walton										
Square Feet	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00	81,577.00
Capacity (students)	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65
Enrollment	659.00	631.00	667.00	634.00	640.00	640.00	605.00	651.00	624.00	593.50
Sandmeier										
Square Feet	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00	42,422.00
Capacity (students)	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30
Enrollment	215.00	237.00	243.00	240.00	288.00	288.00	270.00	265.00	263.00	258.30
Caldwell										
Square Feet	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00	39,245.00
Capacity (students)	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70
Enrollment	225.00	238.00	273.00	245.00	261.00	261.00	268.00	261.00	256.00	265.30
FMG										
Square Feet	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00	89,846.00
Capacity (students)	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45
Enrollment	479.00	470.00	444.00	492.00	518.00	518.00	511.00	478.00	514.00	547.00

High School

JDHS										
Square Feet	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00	184,725.00
Capacity (students)	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35
Enrollment	608.00	596.00	624.00	618.00	605.00	605.00	569.00	593.00	587.00	615.20

Number of Schools at June 30, 2020

Elementary	3
Middle Sch	1
High Sch	1

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

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

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

<u>*School Facilities</u>	<u>School Number</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Jonathan Dayton High School	010	616,438	333,975	594,751	331,147	343,255	253,066	282,878
Edward V. Walton	050	153,285	162,000	156,978	92,619	135,463	111,758	109,704
Florence M. Gaudineer	060	206,124	652,215	207,192	252,614	169,120	123,086	104,494
James Caldwell	070	64,535	78,875	55,703	32,505	79,291	53,764	186,822
Thelma L. Sandmeir	090	51,803	50,785	76,513	47,192	49,187	58,117	67,376
Total School Facilities		<u>\$1,092,185</u>	<u>\$1,277,850</u>	<u>\$1,091,137</u>	<u>\$756,077</u>	<u>\$776,316</u>	<u>\$599,791</u>	<u>\$751,274</u>

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

Exhibit J-20

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
INSURANCE SCHEDULE
 June 30, 2020
 UNAUDITED

Type of Policy	Coverage	Deductible
Multi Peril Package Policy		
Utica Insurance:		
Property - Building and Contents	\$ 158,720,578	\$ 5,000
Liability- Products/Completed Operations	3,000,000	
Liability - Personal & Advertising Injury	1,000,000	
Liability - Fire	1,000,000	
Liability - Employee Benefit Programs	1,000,000	
Liability - Abuse or Molestation	1,000,000	
Liability - Employment related practices	1,000,000	
Crime - Employee Dishonesty	500,000	
Crime - Forgery	100,000	
Crime - Money and Securities Inside	25,000	
Crime - Money and Securities Outside	25,000	
Inland Marine - Electronic Data Processing Hardware (software included)	3,000,000	
Automobile Policy		
Utica Insurance:		
Bodily Injury & Property	1,000,000	\$ 1,000
Errors & Omissions Liability		
Utica Insurance:		
Each Claim	1,000,000	\$ 5,000
Workers Compensation		
NJSBAIG:		
Each Accident; Each Employee	2,000,000	
Umbrella		
Utica Insurance:		
Limit	20,000,000	
CAP		
Firemans Fund:		
Limit	50,000,000	
Student Accident		
Bollinger:		
Compulsory Coverage	5,000,000	
Public Official Bonds		
Selective Insurance:		
Treasurer	285,000	
Board Secretary	105,000	
Travel Accident		
Chubb:		
Member (per week)	1,500	
Environmental Site Liability		
Lloyds (Beazley)		
Each Incident	1,000,000	\$ 10,000

Source: District records.

SINGLE AUDIT SECTION

Certified Public Accountants

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New Jersey Society of Certified Public Accountants

K-1

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Springfield School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Township of Springfield School District's basic financial statements, and have issued our report thereon dated December 31, 2020.

Internal Control Over Financial Reporting

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

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

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

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

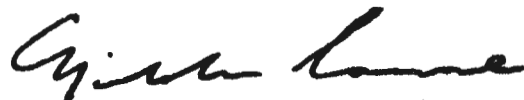
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Springfield School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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



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

December 31, 2020

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Springfield, New Jersey 07081
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American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Township of Springfield School District, in the County of Union, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2020. The Township of Springfield School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Springfield School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Springfield School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Springfield School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, in the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of the Township of Springfield School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Springfield School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Springfield School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by Uniform Guidance and State Financial Assistance

We have audited the financial statements of the Township of Springfield School District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 31, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

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



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

December 31, 2020

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019 Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover Amount	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Deferred Revenue June 30, 2020	(Accounts Receivable) June 30, 2020	Due to Grantor at June 30, 2020	MEMO POs	AP	NAC REVIEWED AND UPDATED
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Food Distribution Program	10.550	N/A	7/1/19-6/30/20	46,107					46,107	(46,107)							
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	108,936					90,366	(94,072)			(3,706)				
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	152,505	(12,269)				12,269								
National School Breakfast Program	10.553	N/A	7/1/19-6/30/20						12,904	(14,864)			(1,960)				
National School Breakfast Program	10.553	N/A	7/1/18-6/30/19	16,655	(1,465)				1,465								
Total U.S. Department of Agriculture					(13,734)	0	0	0	163,111	(155,043)	0	0	(5,666)	0			
U.S. Department of Education																	
Passed-through State Department of Education:																	
Special Revenue Fund:																	
NCLB Title I - Part A	84.000	IASA-5000-20	9/1/19-8/31/20	138,195					87,328	(123,376)			(36,048)	22017			X
NCLB Title I - Part A	84.000	IASA-5000-19	9/1/18-8/31/19	148,090	(2,607)				2,607								
NCLB Title II - Part A	84.000	IASA-5000-19	9/1/19-8/31/20	34,500					2,256	(32,258)			(30,002)	10053			X
NCLB Title II - Part A	84.000	IASA-5000-19	9/1/18-8/31/19	37,139	(1,116)				1,116								
NCLB Title III - Part A	84.000	IASA-5000-20	9/1/19-8/31/20	11,092					4,401	(9,855)			(5,454)	5,396			
NCLB Title III - Part A	84.000	IASA-5000-19	9/1/18-8/31/19	4,393	(4,393)				4,393								
NCLB Reallocated Title 1	84.010A	IASA-5000-19	9/1/18-8/31/19	42,208	(40,003)								(40,003)	0			x
NCLB Title IV	84.000	IASA-5000-20	9/1/19-8/31/20	10,000					0	(9,350)			(9,350)	8502			
NCLB Title IV	84.000	IASA-5000-19	9/1/18-8/31/19	12,178	(2,926)				2,926					0			X
NCLB Title III - Immigrant	84.000	IASA-5000-20	9/1/19-8/31/20	5,815					2,000	(5,815)			(3,815)	3815			
NCLB Title III - Immigrant	84.000	IASA-5000-19	9/1/18-8/31/19	6,245	(2,428)				2,428					0			X
I.D.E.A. Part B, Basic Regular	84.027	FT-5000-20	9/1/19-8/31/20	468,086					313,461	(447,474)			(134,013)	34522			X
I.D.E.A. Part B, Preschool	84.173	PS-5000-20	9/1/19-8/31/20	17,210					2,508	(16,074)			(13,566)	8864			
I.D.E.A. Part B, Preschool	84.173	PS-5000-19	9/1/18-8/31/19	16,959	(800)				800								X
Total U.S. Department of Education					(54,273)	0	0	0	426,224	(644,202)	0	0	(272,251)	0	93,169		
Total Federal Financial Assistance					\$ (68,007)	\$ 0	0	0	\$ 589,335	\$ (799,245)	\$ 0	\$ 0	(277,917)	\$ 0	93,169		

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2019		Prior Year Accounts Payable/Receivable Canceled	Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Deferred Revenue June 30, 2020	GAAP (Accounts Receivable) June 30, 2020	Due to Grantor at June 30, 2020	Memo		
				Deferred Revenue (Accounts Receivable)	Due to Grantor								Budgetary Accounts Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,010,328	\$	\$	\$	922,293	(1,010,328)	\$	\$	\$ (88,035)	\$	\$ (88,035)	\$ 1,010,328	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	845,708	(69,762)			69,762							845,708	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	211,617				211,617	(211,617)					(21,161)	211,617	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	211,617	(21,162)			211,617							211,617	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	408,453				367,608	(408,453)					(40,845)	408,453	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	408,453	(40,845)			40,845							408,453	
School Choice	20-495-034-5120-068	7/1/19-6/30/20	457,588				411,830	(457,588)					(45,758)	457,588	
School Choice	19-495-034-5120-068	7/1/18-6/30/19	480,777	(48,077)			480,777							480,777	
Extraordinary Aid	20-100-034-5120-473	7/1/19-6/30/20	286,155					(286,155)		(286,155)			(286,155)	286,155	
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	290,565	(290,565)			290,565							290,565	
Non Public Transportation	19-100-034-5120-068	7/1/18-6/30/19	57,130	(57,130)			57,130							57,130	
On Behalf - Teacher's Pension and Annuity Fund	20-495-034-5094-002	7/1/19-6/30/20	3,359,274				3,359,274	(3,359,274)						3,359,274	
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001	7/1/19-6/30/20	1,246,229				1,246,229	(1,246,229)						1,246,229	
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	3,093				3,093	(3,093)						3,093	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20					1,028,206	(1,116,015)		(87,809)			(87,809)	1,116,015	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	1,110,551	(54,811)			54,811							1,110,551	
Total General Fund				\$ (582,352)	\$ 0	\$ 0	\$ 8,111,341	\$ (8,098,752)	\$ 0	\$ 0	\$ (461,999)	\$ 0	\$ (569,763)	\$ 11,503,553	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	7,221				7,221	(7,130)				91		7,499	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	7,796		297				(297)					7,796	
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	20,550				20,550	(19,084)				1,466		21,016	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	21,900		478				(478)					21,422	
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	13,289				13,289	(9,752)				3,537		13,289	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	14,162		3,541				(3,541)					10,621	
Technology Services	20-100-034-5120-373	7/1/19-6/30/20	4,932				4,932	(4,418)				514		4,932	
Technology Services	19-100-034-5120-373	7/1/18-6/30/19	5,256		31				(31)					5,225	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	12,259				8,136	(11,934)		(4,123)		325	(4,123)	11,934	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	6,916		1,094				(1,094)					5,822	
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	7,206				6,035	(7,206)		(1,171)			(1,171)	7,206	
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	6,344		3,251				(3,251)					3,093	
Auxiliary Services:															
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	34,233				30,414	(34,233)			(3,819)		(3,819)	34,233	
Transportation	20-100-034-5120-068	7/1/19-6/30/20	2,653				2,388	(2,653)			(265)		(265)	2,653	
Handicapped Services:															
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	8,658				7,571	(8,658)		(1,087)			(1,087)	8,658	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	7,142		1,785				(1,785)					5,357	
Total Special Revenue Fund				\$ 0	\$ 10,477	\$ 0	\$ 100,536	\$ (105,068)	\$ (10,477)	\$ 0	\$ (10,465)	\$ 5,933	\$ (10,465)	\$ 123,723	
Enterprise Fund:															
National School Lunch Program (State)	20-100-034-5120-122	7/1/19-6/30/20	4,554				4,495	(4,554)			(59)		(59)	4,554	
National School Lunch Program (State)	19-100-034-5120-122	7/1/18-6/30/19	7,839	(643)			643							7,839	
Total Enterprise Fund				\$ (643)	\$ 0	\$ 0	\$ 5,138	\$ (4,554)	\$ 0	\$ 0	\$ (59)	\$ 0	\$ (59)	12,393	
Total State Financial Assistance				\$ (582,995)	\$ 10,477	\$ 0	\$ 8,217,015	\$ (8,208,374)	\$ (10,477)	\$ 0	\$ (472,523)	\$ 5,933	\$ (580,287)	\$ 11,639,669	
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04															
On Behalf - Teacher's Pension and Annuity Fund	20-495-034-5094-002							(4,608,596)							
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001							(3,359,274)							
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	20-495-034-5094-004							(1,246,229)							
								(3,093)							
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04								\$ (3,599,778)							

See accompanying notes to schedules of financial assistance.

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TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2020

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is (\$15,953) and for the Special Revenue Fund is (\$55,032). Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 25,864	\$ 8,082,799	\$ 8,108,663
Special Revenue Fund	597,109	97,138	694,247
Capital Projects Fund		-	-
Food Service	155,043	4,554	159,597
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 778,016</u>	<u>\$ 8,184,491</u>	<u>\$ 8,962,507</u>

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

(Reference - Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1. Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
2. Significant Deficiencies identified?	_____ yes <input checked="" type="checkbox"/> none reported
Noncompliance material to basic financial statements noted?	_____ yes <input checked="" type="checkbox"/> no

Federal Awards

Internal control over major programs:	<u>Unmodified</u>
1. Material weakness(es) identified?	_____ yes <input checked="" type="checkbox"/> no
2. Significant Deficiencies identified?	_____ yes <input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance?	_____ yes <input checked="" type="checkbox"/> no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>10.550</u>	<u>Food Distribution Program (Federal Aid Cluster)</u>
<u>10.555</u>	<u>National School Lunch Program (Federal Aid Cluster)</u>
<u>10.553</u>	<u>National School Breakfast Program (Federal Aid Cluster)</u>
<u>84.000</u>	<u>NCLB Title III Immigrant</u>

Dollar threshold used to distinguish between type A and type B programs: (518) \$750,000

Auditee qualified as low-risk auditee? yes _____ no

TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000 _____

Auditee qualified as low risk auditee? yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes no

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
<u>20-495-034-5120-089</u>	<u>Special Education Aid (State Aid Public Cluster)</u>
<u>20-495-034-5120-084</u>	<u>Security Aid (State Aid Public Cluster)</u>
<u>20-495-034-5120-068</u>	<u>School Choice (State Aid Public Cluster)</u>
<u>20-495-034-5120-014</u>	<u>Transportation Aid (State Aid Public Cluster)</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II - Schedule of Financial Statement Findings

Not Applicable

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Sheet 4

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Not Applicable

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF UNION
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Follow-up on Prior Year Findings

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

All prior year findings have been corrected.