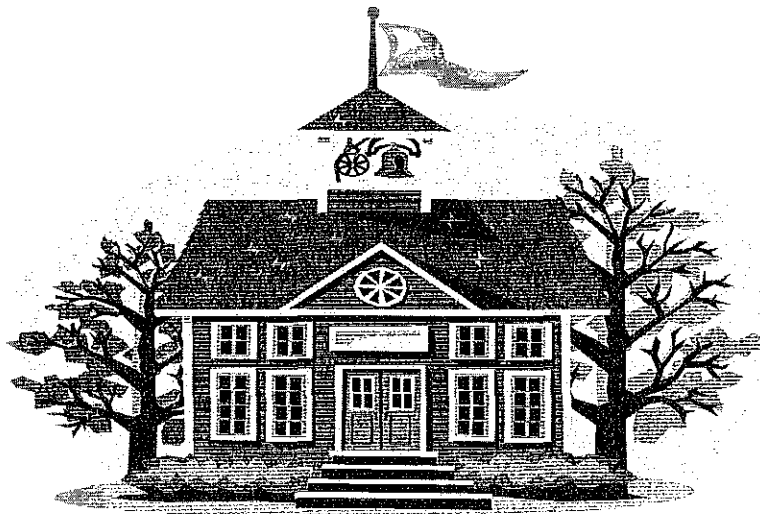


**SCHOOL DISTRICT**

**OF**

**SPRINGFIELD**



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**OF THE**

**SPRINGFIELD BOARD OF EDUCATION**

**SPRINGFIELD, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**PREPARED BY**

**SPRINGFIELD BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**SPRINGFIELD SCHOOL DISTRICT**

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\*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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## **INTRODUCTORY SECTION**



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

**(973) 376-1025 TEL  
(973) 912-9229 FAX**

**Michelle Calas  
School Business Administrator/  
Board Secretary**

February 15, 2023

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 Annual Comprehensive Financial Report (ACFR), of the Township of Springfield School District for the fiscal year ended June 30, 2022. This ACFR 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 annual comprehensive 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 Amendment of 1996 and the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, "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 Governmental Accounting Standards Board (GASB). 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 2021-2022 fiscal year with an average daily enrollment of 2,163 students. The following details the changes in the student enrollment of the District over the last ten years, based on the October 15<sup>th</sup> count.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2021-22	2,191.5	(.54%)
2020-21	2,203.5	(1.96%)
2019-20	2,247.5	(.38)%
2018-19	2,256	(1.16)%
2017-18	2,282.5	1.56%
2016-17	2,247.5	(2.24)%
2015-16	2,299	(.48)%
2014-15	2,310	(2.47)%
2013-14	2,368.5	4.18%
2012-13	2,273.5	

**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 and it is expected to increase based on senate bill S-2 for the next year. 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 with in-house reports. This practice will continue to best estimate future state formula aid.

**3) MAJOR INITIATIVES:** Springfield Public Schools continues to work towards its mission to challenge every student through meaningful, engaging experiences with the goal of empowering all students to flourish and contribute in an evolving world. Over the 2021-2022 school year, the district welcomed students back after the disruption of COVID-19, while also working to strengthen and align student social-emotional and academic needs. This included the development of a personalized instruction period for grades 3-5, reviewing instructional schedules in the middle grades, and expanding special education program supports. Throughout the district, professional development opportunities were aligned with students' academic needs. In addition to the academic programs, the district supports a robust extracurricular and athletic program. Other initiatives included ongoing facility projects to improve our efficiencies and support the maintenance of our buildings.

**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, 2022.

**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.

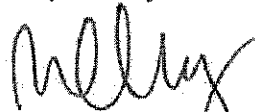
**9) OTHER INFORMATION:**

**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.

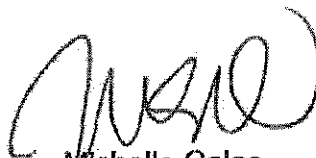
**10) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Township of Springfield School Board for their desire to provide 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  
Superintendent



Michelle Calas  
School Business Administrator/  
Board Secretary

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

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Scott Silverstein, President	2022
Paula Saha, Vice President	2024
Laura Gamarekian	2023
Marc Miller	2023
Hector Munoz	2024
Meredith Murphy	2022
Kristy Rubin	2023
Hilary Turnbull	2022
Yelena Zolotarsky	2024

**Other Officials**

Rachel Goldberg, Superintendent

Michelle Calas, School Business Administrator/Board Secretary

Manuel Vieira, Treasurer

THE TOWNSHIP OF SPRINGFIELD BOARD OF EDUCATION  
SPRINGFIELD, NEW JERSEY

CONSULTANTS AND ADVISORS  
June 30, 2022

***Architect***

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

***Audit Firm***

Robert A. Hulsart and Company  
2807 Hurley Pond Road  
Wall, NJ 07719

***Attorneys***

Porzio, Bromberg, and Newman  
100 Southgate Parkway  
P.O. Box 1997  
Morristown, NJ 07962-1997

Cornell, Merlino, McKeever & Osborne, LLC.  
238 St. Paul Street  
Westfield, NJ 07090

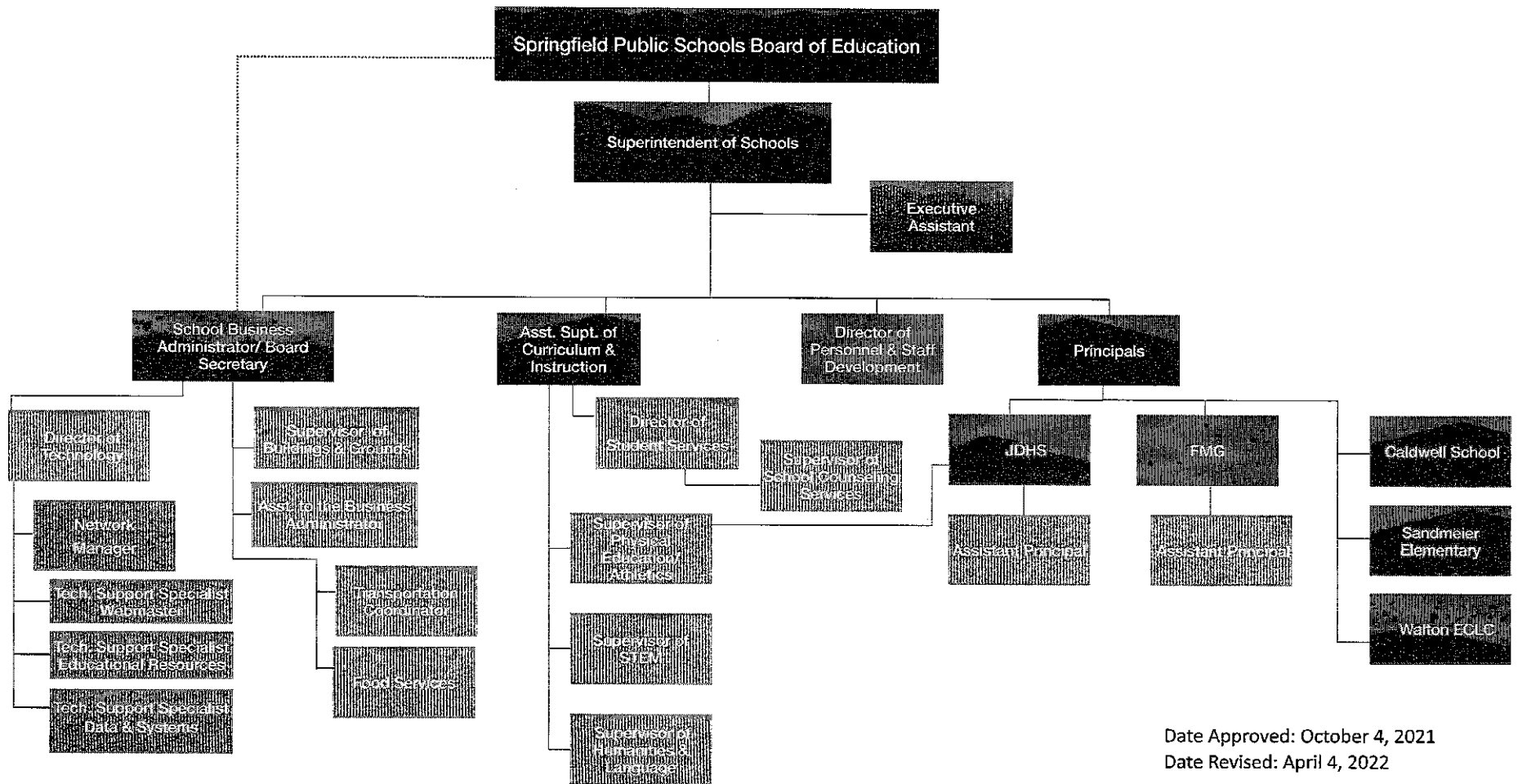
***Engineers***

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

***Official Depository***

Investor Savings Bank  
State of New Jersey - Cash Management Fund

# Springfield Public Schools Organization Chart- April 2022



Date Approved: October 4, 2021  
Date Revised: April 4, 2022

## **FINANCIAL SECTION**



ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

E-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, as of and for the year ended June 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, as of June 30, 2022, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Springfield Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and ***Government Auditing Standards*** will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with ***Government Auditing Standards***, we have also issued our report dated February 15, 2023, on our consideration of the District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

A handwritten signature in black ink, appearing to read 'R. A. Hulsart', is written over a horizontal line.

**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

February 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**SPRINGFIELD PUBLIC SCHOOL DISTRICT**  
**TOWNSHIP OF SPRINGFIELD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The discussion and analysis of Springfield Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2021-2022 fiscal year are as follows:

- General revenues accounted for \$54,858,027 in revenue or 93% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,904,976 or 7% percent to total revenues of \$58,763,003.
- The School District had \$53,826,862 in expenses; only \$3,904,976 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$54,858,027 were adequate to provide for these programs.
- The General Fund had \$53,906,444 in revenues, \$51,686,998 in expenditures. The General Fund's balance increased \$1,895,309 from 2021. This increase was anticipated by the Board of Education.

**Using this Annual Comprehensive Financial Report (ACFR)**

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 Public 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 Position 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. In the case of Springfield Public School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

## **Using this Annual Comprehensive Financial Report (ACFR)**

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## **Reporting the School District as a Whole**

### **Statement of Net Position 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 asks the question, "How did we do financially during the 2021-2022 fiscal year?" The Statement of Net Position and the Statement of Activities helps 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 companies. 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 position and changes in that position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has 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.

In the Statement of Net Position 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, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense 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 major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major 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 you 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 Position 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.

## The School District as a Whole

Table 1 provides a summary of the School District's net position comparisons of fiscal year 2022 with 2021.

**Table 1**  
**Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 15,816,894	13,185,896
Capital Assets, Net	<u>9,654,106</u>	<u>48,373,686</u>
Total Assets	<u>\$ 25,471,000</u>	<u>61,559,582</u>
<b><u>Deferred Outflow of Resources</u></b>		
Contribution to Pension Plan	<u>\$ 1,123,845</u>	<u>1,197,579</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 4,303,844</u>	<u>3,968,571</u>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 2,896,015	1,771,665
Long Term Liabilities	<u>9,760,537</u>	<u>13,427,956</u>
Total Liabilities	<u>\$ 12,656,552</u>	<u>15,199,621</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 5,825,986	44,023,038
Restricted	12,068,686	7,161,553
Unrestricted	<u>(8,260,223)</u>	<u>(7,595,622)</u>
Total Net Position	<u>\$ 9,634,449</u>	<u>43,588,969</u>



Table 2 shows the changes in net position for fiscal year 2022. Revenue and expense comparisons to fiscal year 2021.

**Table 2**  
**Changes in Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 772,014	212,299
Operating Grants and Contributions	3,132,962	8,509,311
General Revenues		
Property Taxes	42,168,775	41,346,449
Grants and Entitlements	11,820,132	2,744,590
Other	<u>869,120</u>	<u>518,730</u>
Total Revenues	<u>58,763,003</u>	<u>53,331,379</u>
<b><u>Program Expenses</u></b>		
Instruction	18,151,387	27,917,629
Support Services		
Pupils and Instructional Staff	9,277,509	8,770,140
General Administration, School Administration, Business	16,241,531	3,513,840
Operations and Maintenance of Facilities	4,385,642	5,284,159
Pupil Transportation	2,424,839	2,227,113
Interest on Debt	51,700	76,597
Unallocated Depreciation	186,265	
Capital Outlay Not Capitalized	1,236,132	
Special Schools	33,188	22,077
Enterprise	<u>1,838,669</u>	<u>758,776</u>
Total Expenses	<u>53,826,862</u>	<u>48,570,331</u>
Prior Year Adjustments	<u>(38,890,661)</u>	<u>(238,271)</u>
Increase/Decrease in Net Position	<u>\$ (33,954,520)</u>	<u>4,522,777</u>

### **Governmental Activities**

Property taxes made up 72% percent of revenues for governmental activities for the Springfield Public School District for fiscal year 2022. The District's total revenues were \$58,763,003 for the fiscal year ended June 30, 2022. Federal, state and local grants and miscellaneous revenues accounted for another 28%.

### **Business-Type Activities**

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

- Food service revenues exceeded expenses by \$110,241.
- Aftercare expenses exceeded revenues by \$14,501.
- Charges for services represent \$752,124 of revenue. This represents amount paid by patrons for daily services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,182,285.

### **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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.

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

## The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Springfield's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2022, it reported a combined net position balance of \$9,634,449. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

The School Board'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 School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

## Capital Assets

At June 30, 2022, the School Board had approximately \$9,539,156 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2022 fiscal year.

	<b><u>Governmental Activities</u></b>	<b><u>Business Type Activities</u></b>
Table II		
Capital Assets at June 30, 2022		
Land	\$ 4,436	
Construction in Progress	7,366,737	
Sites	891,873	
Buildings	788,565	
Machinery and Equipment	<u>487,545</u>	<u>114,950</u>
Total	<u>\$ 9,539,156</u>	<u>114,950</u>

**Debt Administration**

At June 30, 2022, the School District had \$11,439,747 as outstanding debt. Of this amount \$1,714,709 is for compensated absences, \$5,896,918 is for pension liability, \$910,000 is for bonds for school construction; \$2,078,162 is for lease purchase agreements; and \$839,958 is for capital leases.

**Economic Factors and Next Year's Budget**

The Springfield Public School District is in very good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

The Township of Springfield is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$8,958,199 in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a balance of \$8,958,199.

In conclusion, the Springfield Public 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.

**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 Michelle Calas, School Business Administrator/Board Secretary at the Springfield Board of Education, P.O. Box 210, Springfield, New Jersey 07081.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**SPRINGFIELD SCHOOL DISTRICT****STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2022**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 1,898,494	529,247	2,427,741
Receivables, Net	1,226,046	74,683	1,300,729
Inventory		19,738	19,738
Restricted Assets:			
Cash and Cash Equivalents	4,811,778		4,811,778
Capital Reserve Account - Cash	7,256,908		7,256,908
Capital Assets Not Depreciated	7,371,173		7,371,173
Capital Assets, Net	2,167,983	114,950	2,282,933
Total Assets	<u>24,732,382</u>	<u>738,618</u>	<u>25,471,000</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>1,123,845</u>		<u>1,123,845</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>4,303,844</u>		<u>4,303,844</u>
<b><u>Liabilities</u></b>			
Deferred Revenue	55,512		55,512
Accounts Payable	1,094,810	62,368	1,157,178
Accrued Interest	4,115		4,115
Noncurrent Liabilities:			
Due Within One Year	1,679,210		1,679,210
Due Beyond One Year	9,760,537		9,760,537
Total Liabilities	<u>12,594,184</u>	<u>62,368</u>	<u>12,656,552</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	5,711,036	114,950	5,825,986
Restricted For:			
Other Purposes	12,068,686		12,068,686
Unrestricted	<u>(8,821,523)</u>	<u>561,300</u>	<u>(8,260,223)</u>
Total Net Position	<u>\$ 8,958,199</u>	<u>676,250</u>	<u>9,634,449</u>

The accompanying notes to financial statements are an integral part of this statement.

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit A-2  
Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**JUNE 30, 2022**

<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Program Revenues</u></b>		<b><u>Net (Expense) Revenue and Changes in Net Position</u></b>		
		<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 11,793,015			(11,793,015)		(11,793,015)
Special Education	4,902,769		1,205,207	(3,697,562)		(3,697,562)
Other Instruction	1,455,603			(1,455,603)		(1,455,603)
<b>Support Services:</b>						
Tuition	3,790,141	19,890		(3,770,251)		(3,770,251)
Student & Instruction Related Services	5,487,368			(5,487,368)		(5,487,368)
School Administrative Services	1,422,821		745,470	(677,351)		(677,351)
General and Business Administrative Services	1,224,950			(1,224,950)		(1,224,950)
Plant Operations and Maintenance	4,385,642			(4,385,642)		(4,385,642)
Pupil Transportation	2,424,839			(2,424,839)		(2,424,839)
Unallocated Benefits	13,593,760			(13,593,760)		(13,593,760)
Special Schools	33,188			(33,188)		(33,188)
Capital Outlay	1,236,132			(1,236,132)		(1,236,132)
Interest on Long-Term Debt	51,700			(51,700)		(51,700)
Unallocated Depreciation	186,265			(186,265)		(186,265)
<b>Total Government Activities</b>	<b>51,988,193</b>	<b>19,890</b>	<b>1,950,677</b>	<b>(50,017,626)</b>	<b>-</b>	<b>(50,017,626)</b>
<b>Business-Type Activities:</b>						
Enterprise Funds	1,838,669	752,124	1,182,285		95,740	95,740
<b>Total Business-Type Activities</b>	<b>1,838,669</b>	<b>752,124</b>	<b>1,182,285</b>	<b>-</b>	<b>95,740</b>	<b>95,740</b>
<b>Total Primary Government</b>	<b>53,826,862</b>	<b>772,014</b>	<b>3,132,962</b>	<b>(50,017,626)</b>	<b>95,740</b>	<b>(49,921,886)</b>

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



SPRINGFIELD SCHOOL DISTRICT

Exhibit A-2

Sheet 2 of 2

STATEMENT OF ACTIVITIES

JUNE 30, 2022

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purpose, Net	41,214,475		41,214,475
Taxes Levied for Debt Service	954,300		954,300
Federal and State Aid Not Restricted	11,820,132		11,820,132
Miscellaneous Income	869,120		869,120
Prior Year Adjustment and Transfers	(38,833,031)	(57,630)	(38,890,661)
Total General Revenues	<u>16,024,996</u>	<u>(57,630)</u>	<u>15,967,366</u>
Change in Net Position	(33,992,630)	38,110	(33,954,520)
Net Position - Beginning	<u>42,950,829</u>	<u>638,140</u>	<u>43,588,969</u>
Net Position - Ending	<u>\$ 8,958,199</u>	<u>676,250</u>	<u>9,634,449</u>

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

**FUND FINANCIAL STATEMENTS – B**

SPRINGFIELD SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents	\$ 13,671,569	238,844	56,765	2	13,967,180
Interfund Receivable	349,539				349,539
Receivables from Other Governments	820,995	405,051			1,226,046
Total Assets	<u>\$ 14,842,103</u>	<u>643,895</u>	<u>56,765</u>	<u>2</u>	<u>15,542,765</u>
<b><u>Liabilities and Fund Balance</u></b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 858,951		42		858,993
Payroll Deductions and Withholdings	235,817				235,817
Interfund Payable		349,539			349,539
Deferred Revenue		55,512			55,512
Total Liabilities	<u>1,094,768</u>	<u>405,051</u>	<u>42</u>	<u>-</u>	<u>1,499,861</u>
<b>Fund Balance:</b>					
<b>Restricted for:</b>					
Maintenance Reserve	1,000,000				1,000,000
Emergency Reserve	250,000				250,000
Capital Reserve Account	6,506,908				6,506,908
<b>Designated for Subsequent Year's Expenditures -</b>					
Capital Reserve	750,000				750,000
Excess Surplus	67,933				67,933
Unemployment	36,348				36,348
Student Activity Funds		238,844			238,844
<b>Committed To:</b>					
Other Purposes	2,883,682		46,643		2,930,325
<b>Assigned To:</b>					
Designated by the BOE for Subsequent Year's Expenditures	288,328				288,328
<b>Unassigned:</b>					
Debt Service Fund				2	2
Capital Projects Fund			10,080		10,080
General Fund	1,964,136				1,964,136
Total Fund Balances	<u>13,747,335</u>	<u>238,844</u>	<u>56,723</u>	<u>2</u>	<u>14,042,904</u>
Total Liabilities and Fund Balance	<u>\$ 14,842,103</u>	<u>643,895</u>	<u>56,765</u>	<u>2</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$21,047,411 and the accumulated depreciation is \$11,508,255.	9,539,156
Deferred outflow of resources - contributions to the pension plan	1,123,845
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(4,303,844)
Accrued Interest	(4,115)
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	(11,439,747)
Net position of governmental activities	<u>\$ 8,958,199</u>

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

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit B-2  
Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 41,214,475			954,300	42,168,775
Tuition Charges	19,890				19,890
Transportation Fees	2,550				2,550
Miscellaneous	849,397	251,380			1,100,777
Total Local Sources	42,086,312	251,380	-	954,300	43,291,992
State Sources	11,805,178				11,805,178
Federal Sources	14,954	1,716,470			1,731,424
Total Revenues	53,906,444	1,967,850	-	954,300	56,828,594
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	11,793,015				11,793,015
Special Education Instruction	3,697,562	1,205,207			4,902,769
Other Instruction	1,455,603				1,455,603
Support Services and Undistributed Costs:					
Tuition	3,790,141				3,790,141
Student and Instruction Related Services	4,741,898	745,470			5,487,368
School Administrative Services	1,422,821				1,422,821
Other Administrative Services	1,149,174				1,149,174
Technology Information Services	75,776				75,776
Plant Operations and Maintenance	4,385,642				4,385,642
Pupil Transportation	2,424,839				2,424,839
Unallocated Benefits	15,758,701				15,758,701
Special Schools	33,188				33,188
Capital Outlay	958,638		277,494		1,236,132
Debt Service:					
Principal				900,000	900,000
Interest and Other Charges				54,300	54,300
Total Expenditures	51,686,998	1,950,677	277,494	954,300	54,869,469

**SPRINGFIELD SCHOOL DISTRICT**

**Exhibit B-2  
Sheet 2 of 2**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Project Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,219,446</u>	<u>17,173</u>	<u>(277,494)</u>	<u>-</u>	<u>1,959,125</u>
Other Financing Sources (Uses):					
Transfer to Capital Projects Fund from General Fund	(324,137)		324,137		-
Prior Year Adjustment	<u>(324,137)</u>	<u>58</u>	<u>324,137</u>	<u>-</u>	<u>58</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>1,895,309</u>	<u>17,231</u>	<u>46,643</u>	<u>-</u>	<u>1,959,183</u>
Net Change in Fund Balances	1,895,309	17,231	46,643	-	1,959,183
Fund Balance - July 1	<u>11,852,026</u>	<u>221,613</u>	<u>10,080</u>	<u>2</u>	<u>12,083,721</u>
Fund Balance - June 30	<u>\$ 13,747,335</u>	<u>238,844</u>	<u>56,723</u>	<u>2</u>	<u>14,042,904</u>

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

SPRINGFIELD SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESJUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,959,183
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	(186,265)
Fixed Assets Restatements	(38,455,617)
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.	522,528
In the statement of activities certain operating activities are measured by the amount earned while in the government funds. Expenses are reported in the amount of financial resources used.	
Compensated Absences	41,467
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(73,734)
Pension related deferrals	(335,273)
Change in net pension liability	2,532,481
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.	2,600
Change in Net Position of Governmental Activities	<u>\$ (33,992,630)</u>

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

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit B-4

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Funds</u>
<b><u>Assets:</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 529,247
Accounts Receivable:	
State	1,539
Federal	73,144
Inventory	19,738
Total Current Assets	<u>623,668</u>
Noncurrent Assets:	
Equipment	304,301
Accumulated Depreciation	(189,351)
Total Fixed Assets	<u>114,950</u>
Total Assets	<u>\$ 738,618</u>
 <b><u>Liabilities:</u></b>	
Accounts Payable	<u>\$ 62,368</u>
Total Liabilities	<u>\$ 62,368</u>
 <b><u>Net Position:</u></b>	
Investment in Capital Assets	\$ 114,950
Unrestricted	<u>561,300</u>
Total Net Position	<u>\$ 676,250</u>

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

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Fund</u>
Operating Revenues:	
Daily Sales - Reimbursable Programs	\$ 21,610
Daily Sales - Non-Reimbursable Programs	142,304
Fees	588,210
Total Operating Revenues	<u>752,124</u>
Operating Expenses:	
Salaries	733,582
Other Employee Benefits	81,181
Cost of Sales - Reimbursable Programs	441,308
Cost of Sales - Non-Reimbursable Programs	54,544
Supplies and Materials	263,746
Management Fee	59,820
Contracted Services	116,294
Depreciation	20,068
Insurance	51,087
Miscellaneous	17,039
Operating Expenses	<u>1,838,669</u>
Operating Gain/(Loss)	(1,086,545)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	23,253
Federal Sources:	
National School Lunch Program	990,444
PEBT Program	614
Emergency Operational Costs	22,069
After School Snacks	23,748
Federal Breakfast Program	67,165
Food Distribution Program	54,992
Total Non-Operating Revenues	<u>1,182,285</u>
Change in Net Position	95,740
Adjustment for Fixed Assets	(57,630)
Net Position, July 1	<u>638,140</u>
Net Position, June 30	<u>\$ 676,250</u>

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



SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDSJUNE 30, 2022

	<u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 752,124
Payments to Employees	(733,582)
Payments to Suppliers	(1,052,661)
Net Cash Provided (Used) by Operating Activities	<u>(1,034,119)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	23,253
Federal Sources	1,104,040
Net Cash Provided by Noncapital Financing Activities	<u>1,127,293</u>
Net Increase (Decrease) in Cash and Cash Equivalents	93,174
Cash and Cash Equivalents, July 1	<u>436,073</u>
Cash and Cash Equivalents, June 30	<u>\$ 529,247</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,086,545)
Depreciation	20,068
Federal Commodities Consumed	54,992
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Decrease/(Increase) in Accounts Receivables	(10,283)
(Decrease)/Increase in Accounts Payable	(797)
Decrease/(Increase) in Inventory	(11,554)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,034,119)</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**SPRINGFIELD SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 1: Summary of Significant Accounting Policies**

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

**A. Reporting Entity:**

The Springfield School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades PreK-12. The Springfield School District had an approximate enrollment at June 30, 2022 of 2,188 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

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

**B. Government-Wide Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. 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 trust 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 Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be 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.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types (Continued)**

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.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2022 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

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 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.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****F. 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.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

**I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

The District contracted with an outside service company during the 2021-22 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report was updated to include capital assets purchased during the 2021-2022 fiscal year and prior with a historical cost of \$2,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2022 was as follows:

	<b>Balance</b> <b>July 1, 2021</b>	<b>Additions</b>	<b>Adjustments</b>	<b>Balance</b> <b>June 30, 2022</b>
Governmental Activities:				
Land	\$ 4,436			4,436
Construction in Progress	<u>8,657,099</u>	_____	(1,290,362)	<u>7,366,737</u>
Total	<u>8,661,535</u>	_____	(1,290,362)	<u>7,371,173</u>
Depreciable Assets:				
Site Improvements	510,259		1,052,569	1,562,828
Buildings	42,282,502		(31,656,287)	10,626,215
Equipment	<u>16,122,190</u>	_____	(14,634,995)	<u>1,487,195</u>
Total	<u>58,914,951</u>	_____	(45,238,713)	<u>13,676,238</u>
Less: Accumulated Depreciation:				
Sites Improvements		(73,502)	(597,453)	(670,955)
Buildings	(11,305,543)	(22,654)	1,490,547	(9,837,650)
Equipment	<u>(8,089,905)</u>	<u>(90,109)</u>	<u>7,180,364</u>	<u>(999,650)</u>
Total Accumulated Depreciation	<u>(19,395,448)</u>	<u>(186,265)</u>	<u>8,073,458</u>	<u>(11,508,255)</u>
Net Depreciable Assets	<u>39,519,503</u>	<u>(186,265)</u>	<u>(37,165,255)</u>	<u>2,167,983</u>
Governmental Activities Capital Assets (Net)	<u>\$ 48,181,038</u>	<u>(186,265)</u>	<u>(38,455,617)</u>	<u>9,539,156</u>



**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities:				
Buildings & Equipment	\$ 13,305		(13,305)	
Equipment	<u>389,079</u>	<u>      </u>	<u>(84,778)</u>	<u>304,301</u>
	<u>402,384</u>	<u>      </u>	<u>(98,083)</u>	<u>304,301</u>
Less: Accumulated Depreciation:				
Equipment	<u>(209,736)</u>	<u>(20,068)</u>	<u>40,453</u>	<u>(189,351)</u>
Business-Type Capital Assets (Net)	<u>\$ 192,648</u>	<u>(20,068)</u>	<u>(57,630)</u>	<u>114,950</u>

Depreciation expense was charged to governmental functions as follow:

Unallocated	<u>\$ 186,265</u>
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During the 2021-2022 school year, the District underwent a full fixed assets accounting by Asset Works Risk Management. It was discovered that the District had not had any accounting done in many years, possibly as many as 15 years. As such, significant adjustments were required to be made to the prior year numbers included in the financials of the 2020-2021 school year.

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 10).

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**M. Net Position**

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

*Net Investment in Capital Assets* – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

*Restricted* – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Unrestricted* – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

*Restricted* – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

*Committed* – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**M. Net Position (Continued)**

*Assigned* – The assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

*Unassigned* – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Investments are stated at cost, which approximates market. The District 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.

**Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Deposits (Continued)**

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 on deposit.

In addition to the above collateral requirement, 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 of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2022, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash</b>
	<b><u>Equivalents</u></b>
Checking and Money Market Accounts	<b><u>\$ 14,496,426</u></b>

The carrying amount of the District's cash and cash equivalents at June 30, 2022 was \$14,496,426 and the bank balance was \$16,529,849. Of the bank balance, \$250,000 was covered by federal depository insurance; \$16,254,275 was covered by a collateral pool maintained by the banks as required by New Jersey statutes; and \$25,574 was uninsured.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Insured:		
FDIC	\$ 250,000	250,000
GUDPA	16,254,275	11,506,614
Uninsured	25,574	16,806

As of June 30, 2022, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u>		<u>Balance</u>	<u>Long-Term</u>	<u>Amount</u>	
	<u>June 30, 2021</u>	<u>Additions</u>	<u>June 30, 2022</u>	<u>Portion</u>	<u>Due</u>	
				<u>In one Year</u>		
Pension Liability	\$ 8,429,399		(2,532,481)	5,896,918	5,896,918	
Compensated Absences Payable	1,756,176		(41,467)	1,714,709	1,714,709	
Lease Purchase Agreements	2,540,648		(462,486)	2,078,162	1,728,931	349,231
Capital Lease Payable		1,259,937	(419,979)	839,958	419,979	419,979
Bonds Payable	<u>1,810,000</u>	<u>                    </u>	<u>(900,000)</u>	<u>910,000</u>	<u>                    </u>	<u>910,000</u>
	<u>\$ 14,536,223</u>	<u>1,259,937</u>	<u>(4,356,413)</u>	<u>11,439,747</u>	<u>9,760,537</u>	<u>1,679,210</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 of general obligation bonds.

**NOTE 3: General Long-Term Debt (Continued)****A. Bonds Payable (Continued)**

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 of general obligation bonds.

Refunding Bonds issued November 13, 2012 for \$6,485,000 maturing June 15, 2023 with a balance of \$910,000 at June 30, 2022 with an interest rate of 1.72%.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2023	<u>\$ 910,000</u>	<u>27,300</u>	<u>937,300</u>

**B. Lease Purchase Agreements Payable**

The District is leasing energy conservation measures equipment under a purchase agreement. The purchase agreement is for a term of fifteen years. The following is a schedule of the future minimum lease payments under the purchase agreement, and the present value of the net minimum lease payments at June 30, 2022:

2014 Energy Savings Improvement Program lease @ 2.84% interest for 20 years maturing on 6/17/2035 with a balance of \$1,818,441 at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-2023	\$ 89,510	20,994	110,504
2023-2024	96,569	48,403	144,972
2024-2025	104,772	45,604	150,375
2025-2026	111,743	42,580	154,323
2026-2027	119,857	39,350	159,207
2027-2031	734,956	139,764	874,721
2031-2034	<u>561,034</u>	<u>20,130</u>	<u>581,164</u>
	<u>\$ 1,818,441</u>	<u>356,825</u>	<u>2,175,266</u>

The District is leasing equipment under a lease purchase agreement. The term of the agreement is five years. The following is a schedule of the future minimum lease payments under the lease purchase agreement, and the present value of the net minimum lease payments at June 30, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30, 2022-2023	<u>\$ 259,271</u>	<u>2,228</u>	<u>261,499</u>

**NOTE 3: General Long-Term Debt (Continued)****C. Capital Leases Payable**

This capital lease is for a term of five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2022:

<u>Year Ended June 30,</u>	
2023	\$ 419,979
2024	<u>419,979</u>
	839,958
Less: Amount Representing Interest	<u>0</u>
Present Value of Net Minimum Lease Payments	<u>\$ 839,958</u>

**NOTE 4: Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund 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 Teacher's 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.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund 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 Teachers' Pension and Annuity Fund 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 non-contributing 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 Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (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 Public Employees Retirement System 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.

**NOTE 4: Pension Plans (Continued)**

**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 provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision 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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**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 contains a provision to reduce the employee contribution rate by ½ 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.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required 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 6.78% 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 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.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.



**NOTE 4: Pension Plans (Continued)**

During the year ended June 30, 2022, the State of New Jersey contributed \$7,294,230 to the TPAF for post-retirement medical 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 \$1,222,461 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/22	\$ 652,236	100%	0
6/30/21	605,824	100%	0
6/30/20	524,926	100%	0

**Three-Year Trend Information for TPAF (Paid On-Behalf of the District)**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/22	\$ 7,294,230	100%	0
6/30/21	5,663,883	100%	0
6/30/20	4,608,596	100%	0

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

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

**NOTE 4: Pension Plans (Continued)**

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

**Basis of Presentation**

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

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**NOTE 4: Pension Plans (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2021.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by Local employers under Chapter 366, P.L. 2001. This legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for Prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of Prosecutors in the Prosecutors Part. The June 30, 2021 State special funding situation net pension liability amount of \$126.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$11.1 million, for the fiscal year ending June 30, 2021, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2021. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**NOTE 4: Pension Plans (Continued)**

For the year ended June 30, 2022, the District recognized pension expense of \$652,236. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 93,002	42,215
Changes of Assumptions	30,711	2,099,341
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,553,403
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	347,896	608,885
District Contributions Subsequent to the Measurement Date	<u>652,236</u>	<u>          </u>
Total	<u>\$ 1,123,845</u>	<u>4,303,844</u>

\$652,236 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Ending****June 30,**

2022	\$ (1,376,172)
2023	(982,935)
2024	(670,194)
2025	(503,787)
2026	<u>196</u>
	<u>\$ (3,532,892)</u>

**Additional Information**

Collective balances at December 31, 2021 and 2020 are as follows:

	<b><u>Dec. 31, 2021</u></b>	<b><u>Dec. 31, 2020</u></b>
Collective Deferred Outflows of Resources	\$ 1,123,845	1,197,579
Collective Deferred Inflows of Resources	4,303,844	3,968,571
Collective Net Pension Liability	5,896,918	8,429,399
District's Proportion	.04925%	.05129%

**NOTE 4: Pension Plans (Continued)****Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2021 were as follows:

	<b>2021</b>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,950,516,944	40,359,568,055	69,310,084,999
Plan Fiduciary Net Position	<u>7,321,019,459</u>	<u>28,386,785,177</u>	<u>35,707,804,636</u>
Net Pension Liability	<u>\$ 21,629,497,485</u>	<u>11,972,782,878</u>	<u>33,602,280,363</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.29%	70.33%	42.90%

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00%
	Based on years of service
Thereafter	3.00% - 7.00%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**NOTE 4: Pension Plans (Continued)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**NOTE 4: Pension Plans (Continued)****Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	<u>2021</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 8,030,407</u>	<u>5,896,918</u>	<u>4,086,351</u>

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for TPAF:

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

**NOTE 4: Pension Plans (Continued)**

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

**Basis of Presentation**

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

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, State's pension contribution was less than the actuarial determined amount.



**NOTE 4: Pension Plans (Continued)****Special Funding Situation**

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

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 74,699,133,697	87,522,678,686
Plan Fiduciary Net Position	<u>26,533,142,515</u>	<u>21,529,179,998</u>
Net Pension Liability	<u>\$ 48,165,991,182</u>	<u>65,993,498,688</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2021</u>	<u>2020</u>
District's Liability	<u>\$ 69,958,280</u>	<u>99,074,872</u>
District's Proportion	.14524%	.15013%

**NOTE 4: Pension Plans (Continued)**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**NOTE 4: Pension Plans (Continued)****Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**NOTE 4: Pension Plans (Continued)****Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's net pension 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:

	<u>2021</u>		
	<u>At 1%</u>	<u>At Current</u>	<u>At 1%</u>
	<u>Decrease (6.00%)</u>	<u>Discount</u>	<u>Increase (8.00%)</u>
		<u>Rate (7.00%)</u>	
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>82,772,331</u>	<u>69,958,280</u>	<u>59,195,282</u>
	<u>\$ 82,772,331</u>	<u>69,958,280</u>	<u>59,195,282</u>

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**NOTE 5: Post-Retirement Benefits (Continued)**

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

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 GASBS No. 75.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 20, 2020, with was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability     \$60,007,650,970

Inflation rate     2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 – 4.45% based on service years	2.00% - 6.00% based on service years	3.25% - 15.25% based on service years
Thereafter	2.75 – 5.65% based on service years	3.00% - 7.00% based on service years	Not applicable

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS). “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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, respectively.

**NOTE 5: Post-Retirement Benefits (Continued)*****(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

***(b) Discount Rate***

The discount rate for June 30, 2021 was 2.16%. 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.

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	<b>Total <u>OPEB Liability</u></b>
Balances at June 30, 2020	\$ 87,311,680
Changes for the Year:	
Service Cost	4,406,674
Interest	2,034,868
Change of Benefit	(83,492)
Difference Between Expected and Actual Experience	(13,754,244)
Changes in Assumptions or Other Inputs	77,389
Benefit Payments	(1,602,906)
Member Contributions	<u>52,022</u>
Balance at June 30, 2021	<u>\$ 78,441,991</u>

There were no changes in benefit terms between the June 30, 2020 measurement date and the June 30, 2021 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2021.

**NOTE 5: Post-Retirement Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (1.16%)</b>	<b>Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 93,961,191</u>	<u>78,441,991</u>	<u>66,221,553</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 63,499,047</u>	<u>78,441,991</u>	<u>98,509,261</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2021, the Board of Education recognized OPEB expense of \$4,846,798 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Springfield Township Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 11,824,782	23,541,836
Changes in Proportion	1,769,550	323,478
Changes of Assumptions or Other Inputs	<u>13,306,689</u>	<u>8,416,095</u>
Total	<u>\$ 26,901,021</u>	<u>32,281,409</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ (632,987)
2024	(632,987)
2025	(632,987)
2026	(632,987)
2027	(632,987)
Thereafter	<u>(2,215,453)</u>
	<u>\$ (5,380,388)</u>

**NOTE 6: 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 right to the benefits.

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

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences as of June 30, 2022, was \$1,714,709.

**NOTE 7: Capital Reserve Account**

A capital reserve account was established by the Township of Springfield Board of Education by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to *N.J.A.C.* 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.



**NOTE 7: Capital Reserve Account (Continued)**

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 6,256,908
Increased by:	
Resolution Increase	<u>1,000,000</u>
Ending Balance, June 30, 2022	<u>\$ 7,256,908</u>

\*\$750,000 is budgeted for withdrawal in 2022-2023.

**NOTE 8: Fund Balance Appropriated**

**General Fund** – Of the \$13,993,136 General Fund fund balance at June 30, 2022, \$2,883,682 is reserved for encumbrances; \$6,506,908 has been placed in the capital reserve; \$250,000 is in emergency reserve; \$1,000,000 is in maintenance reserve; \$67,933 is excess surplus; \$750,000 is designated for subsequent years expenditures – capital reserve; \$36,348 is unemployment; \$288,328 is designated for subsequent years; and \$2,209,937 is unreserved and undesignated.

**NOTE 9: Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget.

**NOTE 10: Equity Balance****4% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures Per the ACFR	\$ 51,499,112
Decreased by:	
On Behalf TPAF Pension and Social Security	<u>(8,516,691)</u>
Adjusted 2021-22 General Fund Expenditures	<u>\$ 42,982,421</u>
4% of Adjusted 2021-22 General Fund Expenditures	<u>\$ 1,719,297</u>
Enter Greater of Above or \$250,000	\$ 1,719,297
Increased by Allowable Adjustments	<u>490,640</u>
Maximum Unassigned Fund Balance	<u>\$ 2,209,937</u>

**NOTE 10: Equity Balance (Continued)****Section 2**

Total General Fund -- Fund Balance @ 6-30-22	\$ 13,993,136
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Decreased by:

Reserved for Encumbrances	(2,883,682)
Designated for Subsequent Years Expenditures -- Capital Reserve	(750,000)
Reserve for Unemployment	(36,348)
Designated for Subsequent Years Expenditures	(288,328)
Other Reserves	<u>(7,756,908)</u>

Total Unassigned Fund Balance	<u>\$ 2,277,870</u>
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Reserved Fund Balance -- Excess Surplus	<u>\$ 67,933</u>
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**Section 3**

Reserved Fund Balance -- Excess Surplus Designated for Subsequent Expenditures	\$
Excess Surplus	<u>67,933</u>

	<u>\$ 67,933</u>
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**Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 490,640</u>
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**Detail of Other Reserved Fund Balance**

Capital Reserve	\$ 6,506,908
Maintenance Reserve	1,000,000
Emergency Reserve	<u>250,000</u>

	<u>\$ 7,756,908</u>
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Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2022-2023 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

**NOTE 11: Contingent Liabilities**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

**NOTE 12: Tuition Adjustments**

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2022 financial statements.

**NOTE 13: Economic Dependency**

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

**NOTE 14: Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District 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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2021-2022	\$ 0	172,514	187,886	36,348
2020-2021	0	161,890	113,788	51,720
2019-2020	0	157,001	201,128	3,618

**NOTE 15: General Fund Emergency Reserve Account**

The reserve account is to be used to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonable unforeseeable. The emergency reserve balance may not exceed \$250,000 or 1% of the District's general fund budget up to a maximum of \$100,000 whichever is greater. Withdrawals require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent. Springfield maintained an emergency reserve on June 30, 2022 of \$250,000.

**NOTE 16: Subsequent Events**

Subsequent events have been evaluated through February 15, 2023, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 41,214,476		41,214,476	41,214,475	(1)
Tuition From Individuals	20,000		20,000	2,087	(17,913)
Tuition From Summer School	59,022		59,022	17,803	(41,219)
Transportation Fees From Individuals	14,600		14,600	2,550	(12,050)
Rentals	127,500		127,500	85,250	(42,250)
Miscellaneous	398,268		398,268	591,633	193,365
Other Restricted Miscellaneous Revenues		172,514	172,514	172,514	-
Total Local Sources	<u>41,833,866</u>	<u>172,514</u>	<u>42,006,380</u>	<u>42,086,312</u>	<u>79,932</u>
State Sources:					
School Choice Aid	444,600		444,600	444,600	-
Special Education Aid	1,499,443		1,499,443	1,499,443	-
Extraordinary Aid	200,000		200,000	690,640	490,640
Security Aid	211,617		211,617	211,617	-
Transportation Aid	408,453		408,453	408,453	-
Non-Public Transportation Aid			-	70,180	70,180
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	1,381,042	1,381,042
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	5,910,973	5,910,973
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	2,215	2,215
TPAF Social Security Contribution (Reimbursed)			-	1,222,461	1,222,461
Total State Sources	<u>2,764,113</u>	<u>-</u>	<u>2,764,113</u>	<u>11,841,624</u>	<u>9,077,511</u>
Federal Sources:					
Medical Assistance Program (Semi)	28,471		28,471	14,954	(13,517)
Total Revenues	<u>44,626,450</u>	<u>172,514</u>	<u>44,798,964</u>	<u>53,942,890</u>	<u>9,143,926</u>

**SPRINGFIELD SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Pre-Kindergarten - Salaries of Teachers	260,706	(115,000)	145,706	131,579	14,127
Kindergarten - Salaries of Teachers	550,549	159,607	710,156	703,679	6,477
Grades 1-5 - Salaries of Teachers	3,973,300	(158,327)	3,814,973	3,739,723	75,250
Grades 6-8 - Salaries of Teachers	2,782,284	71,962	2,854,246	2,837,672	16,574
Grades 9-12 - Salaries of Teachers	3,724,799	6,114	3,730,913	3,681,101	49,812
Subtotal	<u>11,291,638</u>	<u>(35,644)</u>	<u>11,255,994</u>	<u>11,093,754</u>	<u>162,240</u>
Regular Programs - Home Instruction:					
Salaries for Instruction	35,000	(30,536)	4,464	4,282	182
Purchased Professional Educational Services	31,000	34,906	65,906	63,596	2,310
Subtotal	<u>11,357,638</u>	<u>(31,274)</u>	<u>11,326,364</u>	<u>11,161,632</u>	<u>164,732</u>
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	1,000	(1,000)	-	-	-
Other Purchased Services	19,190	(19,190)	-	-	-
General Supplies	491,553	98,983	590,536	483,060	107,476
Textbooks	159,630	(9,263)	150,367	148,323	2,044
Subtotal	<u>671,373</u>	<u>69,530</u>	<u>740,903</u>	<u>631,383</u>	<u>109,520</u>
Total Regular Programs - Instruction	<u>12,029,011</u>	<u>38,256</u>	<u>12,067,267</u>	<u>11,793,015</u>	<u>274,252</u>



**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 3 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Education Instruction:					
Learning & Language Disabilities:					
Salaries of Teachers	393,553	(102,220)	291,333	291,333	-
Other Salaries for Instruction	1,393,081	(222,709)	1,170,372	1,135,815	34,557
General Supplies	2,000	(17)	1,983	1,983	-
Total Learning and Language Disabilities	<u>1,788,634</u>	<u>(324,946)</u>	<u>1,463,688</u>	<u>1,429,131</u>	<u>34,557</u>
Resource Room/Center:					
Salaries of Teachers	1,729,794	82,611	1,812,405	1,812,405	-
General Supplies	5,500	1,298	6,798	6,665	133
Total Resource Room/Center	<u>1,735,294</u>	<u>83,909</u>	<u>1,819,203</u>	<u>1,819,070</u>	<u>133</u>
Autism:					
Salaries of Teachers		65,470	65,470	65,469	1
Other Salaries for Instruction		104,218	104,218	98,463	5,755
Other Purchased Professional Services		3,394	3,394		3,394
General Supplies		13,600	13,600	13,245	355
Total Autism	<u>-</u>	<u>186,682</u>	<u>186,682</u>	<u>177,177</u>	<u>9,505</u>
Pre-School Disabilities - Part-Time					
Salaries of Teachers	115,447	11,605	127,052	127,052	-
Other Salaries for Instruction	157,188	(36,281)	120,907	95,876	25,031
Purchased Professional Educational Services	55,431	(7,504)	47,927	47,527	400
General Supplies	1,600	229	1,829	1,729	100
Total Pre-School Handicapped	<u>329,666</u>	<u>(31,951)</u>	<u>297,715</u>	<u>272,184</u>	<u>25,531</u>

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Special Education - Instruction	<u>3,853,594</u>	<u>(86,306)</u>	<u>3,767,288</u>	<u>3,697,562</u>	<u>69,726</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	273,212	92,909	366,121	344,269	21,852
General Supplies	<u>1,000</u>	<u>(600)</u>	<u>400</u>		<u>400</u>
Total Basic Skills/Remedial - Instruction	<u>274,212</u>	<u>92,309</u>	<u>366,521</u>	<u>344,269</u>	<u>22,252</u>
Bilingual Education - Instruction:					
Salaries of Teachers	185,691	(27,500)	158,191	137,420	20,771
General Supplies	<u>750</u>		<u>750</u>	<u>150</u>	<u>600</u>
Total Bilingual Education - Instruction	<u>186,441</u>	<u>(27,500)</u>	<u>158,941</u>	<u>137,570</u>	<u>21,371</u>
School Sponsored Co-Curricular Activities - Instruction					
Salaries	207,204	552	207,756	153,004	54,752
Supplies	1,200	(1,200)	-		-
Transfers to Cover Deficit		<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Total School Sponsored Co-Curricular Activities	<u>208,404</u>	<u>21,352</u>	<u>229,756</u>	<u>175,004</u>	<u>54,752</u>
School Sponsored Athletics - Instruction					
Salaries	453,667	4,445	458,112	398,184	59,928
Salaries of Secretarial & Clerical	40,218		40,218	32,526	7,692
Purchased Services	81,910	6,477	88,387	69,267	19,120
Supplies and Materials	87,278	101,518	188,796	150,451	38,345
Other Objects	<u>41,890</u>	<u>1,703</u>	<u>43,593</u>	<u>37,906</u>	<u>5,687</u>
Total School Sponsored Athletics - Instruction	<u>704,963</u>	<u>114,143</u>	<u>819,106</u>	<u>688,334</u>	<u>130,772</u>
Community Service:					
Salaries	<u>100,000</u>	<u>10,459</u>	<u>110,459</u>	<u>110,426</u>	<u>33</u>

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Distributed Expenditures	<u>17,356,625</u>	<u>162,713</u>	<u>17,519,338</u>	<u>16,946,180</u>	<u>573,158</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - Within State	75,000	(6,715)	68,285	68,285	-
Tuition to Other LEA's - Within State - Special	406,378	142,487	548,865	537,025	11,840
Tuition to County Vocational School:					
Regular	600,000	28,550	628,550	628,050	500
Special		10,800	10,800	8,203	2,597
Tuition to Private School for Handicapped - Within State	2,762,682	(173,805)	2,588,877	2,544,530	44,347
Tuition - State Facilities	4,500		4,500	4,048	452
Total Instruction	<u>3,848,560</u>	<u>1,317</u>	<u>3,849,877</u>	<u>3,790,141</u>	<u>59,736</u>
Attendance & Social Work:					
Salaries	35,750	(5,000)	30,750	15,392	15,358
Total Attendance & Social Work	<u>35,750</u>	<u>(5,000)</u>	<u>30,750</u>	<u>15,392</u>	<u>15,358</u>
Health Services:					
Salaries	395,734	1,641	397,375	382,371	15,004
Purchased Professional/Technical Services	993,636	(365,172)	628,464	613,853	14,611
Other Purchased Services		1,000	1,000	320	680
Supplies and Materials	17,461	12,674	30,135	21,795	8,340
Total Health Services	<u>1,406,831</u>	<u>(349,857)</u>	<u>1,056,974</u>	<u>1,018,339</u>	<u>38,635</u>
Other Student Support Services - Related Services:					
Salaries	320,926	14,667	335,593	335,593	-
Purchased Professional/Technical Services		482,602	482,602	449,930	32,672
Supplies and Materials	2,000	(750)	1,250	1,250	-
Total Other Student Support Services - Related Services	<u>322,926</u>	<u>496,519</u>	<u>819,445</u>	<u>786,773</u>	<u>32,672</u>

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Student - Regular:					
Salaries of Other Professional Staff	770,570	(38,244)	732,326	730,720	1,606
Salaries of Secretarial & Clerical	75,399	4,273	79,672	79,672	-
Supplies and Materials	10,451	(528)	9,923	9,269	654
Total Other Support Student - Regular	<u>856,420</u>	<u>(34,499)</u>	<u>821,921</u>	<u>819,661</u>	<u>2,260</u>
Other Support Student Services- Special:					
Salaries of Other Professional Staff	602,570	(20,246)	582,324	570,295	12,029
Salaries of Secretarial & Clerical	87,384		87,384	85,025	2,359
Purchased Professional Educational Services		221,130	221,130	167,235	53,895
Supplies and Materials	5,900	9,436	15,336	15,157	179
Other Objects	13,700	(5,000)	8,700	2,095	6,605
Total Other Support Student Services- Special	<u>709,554</u>	<u>205,320</u>	<u>914,874</u>	<u>839,807</u>	<u>75,067</u>
Improvement Instructional Services:					
Salaries of Coordinator of Instruction	175,100	(15,000)	160,100	150,586	9,514
Salaries of Supervisors of Instruction	334,784	688	335,472	335,472	-
Salaries of Secretarial & Clerical	16,137	2,987	19,124	19,124	-
Other Purchased Services	56,365	12,228	68,593	63,283	5,310
Travel	1,200	(431)	769		769
Supplies & Materials		65,000	65,000	65,000	-
Total Improvement Instructional Services	<u>583,586</u>	<u>65,472</u>	<u>649,058</u>	<u>633,465</u>	<u>15,593</u>

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Educational Media/Library:					
Salaries	70,293		70,293	70,293	-
Other Salaries for Instruction	75,226	(15,000)	60,226	44,296	15,930
Salaries of Technology Coordinators	120,081		120,081	120,000	81
Supplies & Materials	120,031	91,882	211,913	142,180	69,733
Total Educational Media/Library	<u>385,631</u>	<u>76,882</u>	<u>462,513</u>	<u>376,769</u>	<u>85,744</u>
Staff Training:					
Salaries of Supervisors of Instruction	130,049	(14,549)	115,500	93,658	21,842
Salaries of Secretarial & Clerical	53,045		53,045	53,045	-
Purchased Professional/Educational Serv.	160,000	(119,172)	40,828	37,250	3,578
Other Purchased Services	65,000	10,501	75,501	57,575	17,926
Supplies & Materials	14,000	(3,500)	10,500	7,764	2,736
Other Objects	9,500	(6,000)	3,500	2,400	1,100
Total Staff Training	<u>431,594</u>	<u>(132,720)</u>	<u>298,874</u>	<u>251,692</u>	<u>47,182</u>
Support Services - General Administration:					
Salaries	217,535	2,026	219,561	219,403	158
Salaries of Secretarial & Clerical	73,212		73,212	73,212	-
Legal Services	100,000	219,237	319,237	293,747	25,490
Audit Fee	24,997	388	25,385	24,179	1,206
Contracted Services	10,000	12,520	22,520	1,000	21,520
Other Purchased Professional Services	22,500	(4,100)	18,400		18,400
Purchased Technical Services	20,365	(3,494)	16,871	16,497	374
Communications/Telephone	84,100	(24,782)	59,318	35,533	23,785
BOE Other Purchased Services	8,650	(5,579)	3,071	1,531	1,540
Other Purchased Services	82,717	(11,528)	71,189	60,215	10,974
Supplies & Materials	24,435	(11,900)	12,535	9,265	3,270
BOE Membership Dues and Fees	19,350	(3,000)	16,350	16,054	296
Total Support Services - General Administration	<u>687,861</u>	<u>169,788</u>	<u>857,649</u>	<u>750,636</u>	<u>107,013</u>

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	752,793		752,793	748,968	3,825
Salaries of Other Professional Staff	213,934		213,934	206,226	7,708
Salaries of Secretarial & Clerical	395,189	(15,000)	380,189	366,732	13,457
Travel	8,135		8,135	4,461	3,674
Other Purchased Services	37,309	9,895	47,204	43,604	3,600
Supplies & Materials	61,675	14,848	76,523	51,818	24,705
Other Objects	2,050	(80)	1,970	1,012	958
Total Support Services - School Administration	<u>1,471,085</u>	<u>9,663</u>	<u>1,480,748</u>	<u>1,422,821</u>	<u>57,927</u>
Technology Information Service:					
Salaries	65,776	10,000	75,776	75,776	-
Total Technology Information Service	<u>65,776</u>	<u>10,000</u>	<u>75,776</u>	<u>75,776</u>	<u>-</u>
Required Maintenance - Facilities:					
Salaries	195,639	1,096	196,735	190,279	6,456
Cleaning, Repair & Maintenance Services	212,500	997,332	1,209,832	879,701	330,131
General Supplies	72,500	5,842	78,342	74,374	3,968
Total Allowable Maintenance Facilities	<u>480,639</u>	<u>1,004,270</u>	<u>1,484,909</u>	<u>1,144,354</u>	<u>340,555</u>

SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1  
Sheet 9 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Operations & Maintenance:					
Salaries	1,276,306	(11,000)	1,265,306	1,248,118	17,188
Salaries of Secretarial & Clerical	93,461	9,863	103,324	103,324	-
Salaries of Non-Instructional Aides	100,358	(1,736)	98,622	97,212	1,410
Other Salaries	75,100	(32,885)	42,215	2,058	40,157
Purchased Professional/Technical Serv.	32,844	(8,723)	24,121	9,021	15,100
Cleaning, Repair & Maintenance Services	432,087	(77,110)	354,977	343,394	11,583
Lease - ESIP	136,167	1	136,168	136,167	1
Water and Sewage	45,000	6,014	51,014	50,067	947
Insurance	232,710	48,128	280,838	280,838	-
General Supplies	125,430	48,405	173,835	161,141	12,694
Natural Gas	366,646	1,025	367,671	337,473	30,198
Energy (Heat & Electricity)	373,669	(71,572)	302,097	257,467	44,630
Vehicle Fuel	18,500	920	19,420	15,874	3,546
Other Objects	14,275	(1,581)	12,694	12,184	510
Total Other Operations & Maintenance	<u>3,322,553</u>	<u>(90,251)</u>	<u>3,232,302</u>	<u>3,054,338</u>	<u>177,964</u>
Upkeep of Grounds:					
Salaries	194,578		194,578	169,578	25,000
Repair and Maintenance	3,500	(3,500)	-		-
Supplies	36,000	(18,627)	17,373	17,372	1
Total Upkeep of Grounds	<u>234,078</u>	<u>(22,127)</u>	<u>211,951</u>	<u>186,950</u>	<u>25,001</u>
Total Operations & Maintenance	<u>4,037,270</u>	<u>891,892</u>	<u>4,929,162</u>	<u>4,385,642</u>	<u>543,520</u>

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 10 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Student Transportation:					
Salaries of Transportation Aides	100,214	(18,000)	82,214	70,855	11,359
Salaries for Pupil Transportation	172,070	(6,437)	165,633	152,545	13,088
Salaries Other Than Between Home and School	192,972	(39,800)	153,172	103,120	50,052
Pupil Transportation Maintenance and Repair	49,950	42,804	92,754	81,777	10,977
Aid In Lieu	215,000	(5,000)	210,000	202,500	7,500
Contracted Services Other - Vendors	15,000	114,342	129,342	121,709	7,633
Contracted Services Special Ed. Joint Agreement	267,400	36,286	303,686	280,592	23,094
Contracted Services(Reg.Students) ESCs & CTSAs	898,110	566,116	1,464,226	1,347,411	116,815
Insurance	19,039	(4,000)	15,039	14,289	750
Supplies	52,500	28,609	81,109	46,637	34,472
Other Objects	2,500	1,585	4,085	3,404	681
Total Student Transportation	<u>1,984,755</u>	<u>716,505</u>	<u>2,701,260</u>	<u>2,424,839</u>	<u>276,421</u>
Central Services:					
Salaries	195,846		195,846	185,424	10,422
Salaries of Secretarial & Clerical	175,374	118	175,492	175,492	-
Unused Vacation\ Payout		15,000	15,000	15,000	-
Travel	3,500	(405)	3,095	300	2,795
Supplies & Materials	6,500	8,394	14,894	13,427	1,467
Lease Purchase Interest	7,730		7,730	7,730	-
Miscellaneous Expenditures	1,725		1,725	1,165	560
Total Central Services	<u>390,675</u>	<u>23,107</u>	<u>413,782</u>	<u>398,538</u>	<u>15,244</u>



SPRINGFIELD SCHOOL DISTRICT

Exhibit C-1  
Sheet 11 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	581,949	(17,737)	564,212	528,306	35,906
Other Retirement Contrib. - PERS	670,127	(13,101)	657,026	652,236	4,790
Workman's Compensation	240,162	16,145	256,307	234,969	21,338
Unemployment	65,000	210,886	275,886	275,886	-
Health Benefits	6,935,870	(824,996)	6,110,874	5,437,527	673,347
Tuition Reimbursements	47,520	(14,860)	32,660	22,808	9,852
Insurance	20,543	(4,000)	16,543	7,438	9,105
Other Employee Benefits		82,840	82,840	82,840	-
Total Unallocated Benefits	<u>8,561,171</u>	<u>(564,823)</u>	<u>7,996,348</u>	<u>7,242,010</u>	<u>754,338</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	1,381,042	(1,381,042)
On-Behalf T.P.A.F Pension Contr. - Normal Cost (Non-Budgeted)			-	5,910,973	(5,910,973)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	2,215	(2,215)
TPAF Social Security Contribution (Reimbursed)			-	1,222,461	(1,222,461)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,516,691</u>	<u>(8,516,691)</u>
Total Undistributed Expenditures	<u>25,779,445</u>	<u>1,579,566</u>	<u>27,359,011</u>	<u>33,748,992</u>	<u>(6,389,981)</u>
Total General Current Expense	<u>43,136,070</u>	<u>1,742,279</u>	<u>44,878,349</u>	<u>50,695,172</u>	<u>(5,816,823)</u>

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Capital Outlay					
Equipment-Regular Instruction		61,964	61,964	47,164	14,800
Equipment-Custodial Services		8,800	8,800	3,722	5,078
Equipment-Central Services	2,854	(2,854)	-		-
School Buses- Regular	100,000	57,054	157,054	42,000	115,054
Architectural/Engineering Services		7,883	7,883	3,328	4,555
Other Purchased Professional and Technical Services	120,000	34,100	154,100	98,125	55,975
Construction Services	650,000	1,126,051	1,776,051	38,716	1,737,335
Lease Purchase Agreements-Principal	874,198	(33,000)	841,198	673,748	167,450
Assessment for Debt Service on SDA Funding	57,595	11,519	69,114	51,835	17,279
Total Capital Outlay	<u>1,804,647</u>	<u>1,271,517</u>	<u>3,076,164</u>	<u>958,638</u>	<u>2,117,526</u>
Summer School					
Instruction:					
Salaries of Teachers	56,422	(20,411)	36,011	13,608	22,403
Other Salaries for Instruction		24,952	24,952	13,452	11,500
Supplies	8,081	5,465	13,546	6,128	7,418
Total Instruction	<u>64,503</u>	<u>10,006</u>	<u>74,509</u>	<u>33,188</u>	<u>41,321</u>
Total Summer School	<u>64,503</u>	<u>10,006</u>	<u>74,509</u>	<u>33,188</u>	<u>41,321</u>
Total Current Expense & Summer School	<u>45,005,220</u>	<u>3,023,802</u>	<u>48,029,022</u>	<u>51,686,998</u>	<u>(3,657,976)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(378,770)	(2,851,288)	(3,230,058)	2,255,892	5,485,950
Other Financing Sources (Uses):					
Transfer from Capital Reserve to Capital Projects	(324,137)		(324,137)	(324,137)	-
Total Other Financing Sources (Uses)	<u>(324,137)</u>	<u>-</u>	<u>(324,137)</u>	<u>(324,137)</u>	<u>-</u>
Total Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	(702,907)	(2,851,288)	(3,554,195)	1,931,755	5,485,950

SPRINGFIELD SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund Balance, July 1	<u>12,061,381</u>	<u></u>	<u>12,061,381</u>	<u>12,061,381</u>	<u></u>
Fund Balance, June 30	<u>\$ 11,358,474</u>	<u>(2,851,288)</u>	<u>8,507,186</u>	<u>13,993,136</u>	<u>5,485,950</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 6,506,908	
Maintenance Reserve				1,000,000	
Emergency Reserve				250,000	
Designated for Subsequent Year's Expenditures - Capital Reserve				750,000	
Excess Surplus - Current Year				67,933	
Committed Fund Balance:					
Year End Encumbrances				2,883,682	
Unemployment Compensation				36,348	
Assigned Fund Balances:					
Designated for Subsequent Year's Expenditures				288,328	
Unassigned Fund Balance				<u>2,209,937</u>	
				13,993,136	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(245,801)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 13,747,335</u>	

**SPRINGFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-2  
Sheet 1 of 2

**SPECIAL REVENUE FUND**

**JUNE 30, 2022**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ -	251,380	251,380	251,380	-
Federal Sources:					
Title I, Part A	118,083	100,855	218,938	175,746	43,192
Title IIA, Part A	27,265	34,589	61,854	60,344	1,510
Title III, Part A	10,919	9,809	20,728	18,466	2,262
Title IV, Part A	8,675	12,972	21,647	21,647	-
IDEA Part B, Basic	422,340	26,479	467,537	463,865	3,672
IDEA Part B, Preschool		17,138	17,138	15,442	1,696
ARP IDEA Part B, Basic		96,555	96,555	96,555	-
ARP IDEA Part B, Preschool		8,236	8,236	8,236	-
CARES Act		22,805	22,805	22,805	-
CRRSA Coronavirus Response		455,390	455,390	264,171	191,219
CRRSA Mental Health		45,000	45,000	42,339	2,661
CRRSA Learning Acceleration		29,225	29,225	-	29,225
ARP ESSER II		1,023,460	1,023,460	497,510	525,950
ARP ESSER Learning Acceleration		181,540	181,540	39,043	142,497
ARP Emergency		45,000	45,000		45,000
ARP ESSER Afterschool		40,000	40,000	4,555	35,445
ARP ESSER Summer		40,000	40,000		40,000
ARP ESSER Homeless		6,131	6,131	6,111	20
Total Federal Sources	<u>587,282</u>	<u>2,195,184</u>	<u>2,801,184</u>	<u>1,736,835</u>	<u>1,064,349</u>
Total Revenues	<u>587,282</u>	<u>2,446,564</u>	<u>3,052,564</u>	<u>1,988,215</u>	<u>1,064,349</u>

**SPRINGFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit C-2  
Sheet 2 of 2

**SPECIAL REVENUE FUND**

**JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Instruction:					
Salaries of Teachers	-	889,667	889,667	440,219	449,448
Purchased Professional Educational Services	-	41,150	41,150	40,293	857
Tuition	422,340	11,129	433,469	433,468	1
General Supplies	164,942	253,104	418,046	311,592	106,454
Other Objects		730	730		730
Total Instruction	<u>587,282</u>	<u>1,195,780</u>	<u>1,783,062</u>	<u>1,225,572</u>	<u>557,490</u>
Support Services:					
Salaries		5,001	5,001	5,001	-
Employee Benefits		246,158	247,703	18,941	228,762
Purchased Professional Services		509,580	509,580	247,227	262,353
Other Purchased Services		109,536	109,536	108,386	1,150
General Supplies		71,668	71,668	58,965	12,703
Student Activities		234,207	234,207	234,207	-
Total Support Services	<u>-</u>	<u>1,176,150</u>	<u>1,177,695</u>	<u>672,727</u>	<u>504,968</u>
Facilities Acquisition and Construction Services:					
Non Instructional Equipment		74,634	74,634	72,743	1,891
Total Expenditures	<u>587,282</u>	<u>2,446,564</u>	<u>3,035,391</u>	<u>1,971,042</u>	<u>1,064,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>17,173</u>	<u>17,173</u>	<u>-</u>
Fund Balance, July 1	<u>221,671</u>		<u>221,671</u>	<u>221,671</u>	
Fund Balance, June 30	<u>\$ 221,671</u>	<u>-</u>	<u>238,844</u>	<u>238,844</u>	<u>-</u>
Recapitulation:					
Restricted:					
Student Activities				<u>238,844</u>	
Total Fund Balance				<u>\$ 238,844</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

SPRINGFIELD SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGETARY COMPARISON SCHEDULENOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 53,942,890	1,988,215
Difference - budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		(20,365)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	209,355	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(245,801)</u>	
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 53,906,444</u>	<u>1,967,850</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 51,686,998	1,971,042
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(20,365)</u>
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 51,686,998</u>	<u>1,950,677</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**



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

**SPRINGFIELD SCHOOL DISTRICT**

**Exhibit L-1**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.04925%	0.05129%	0.04920%	0.05120%	0.05240%	0.05210%	0.05150%	0.05365%
District's Proportionate Share of the Net Pension Liability	<u>\$ 5,896,918</u>	<u>8,429,399</u>	<u>8,869,130</u>	<u>10,088,654</u>	<u>12,210,119</u>	<u>15,417,392</u>	<u>11,562,575</u>	<u>10,033,440</u>
District's Covered-Employee Payroll	\$ 3,529,633	3,529,633	3,610,625	3,535,541	3,500,512	3,520,559	3,574,451	3,568,177
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	59.86%	41.87%	40.71%	35.04%	28.67%	22.83%	30.91%	35.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

**SPRINGFIELD SCHOOL DISTRICT**

**Exhibit L-2**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 605,824	565,470	478,789	509,660	485,917	462,455	442,833	441,785
Contributions in Relation to the Contractually Required Contribution	<u>605,824</u>	<u>565,470</u>	<u>478,789</u>	<u>509,660</u>	<u>485,917</u>	<u>462,455</u>	<u>442,833</u>	<u>441,785</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 3,529,633	3,529,633	3,610,625	3,535,541	3,500,512	3,520,559	3,574,451	3,568,177
Contributions as a Percentage of Covered-Employee Payroll	17.16%	16.02%	13.26%	14.42%	13.88%	13.14%	12.39%	12.38%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for eight years. Additional years will be presented as they become available.

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit L-3

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>69,958,280</u>	<u>99,074,872</u>	<u>89,817,351</u>	<u>92,684,178</u>	<u>99,987,252</u>	<u>115,689,436</u>	<u>92,705,011</u>	<u>79,427,155</u>
Total	<u>\$ 69,958,280</u>	<u>99,074,872</u>	<u>89,817,351</u>	<u>92,684,178</u>	<u>99,987,252</u>	<u>115,689,436</u>	<u>92,705,011</u>	<u>79,427,155</u>
District's Covered-Employee Payroll	\$ 16,331,200	\$ 16,331,200	16,000,642	15,857,647	15,814,051	15,318,384	15,262,559	15,139,586
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	23.34%	16.48%	17.81%	17.11%	15.82%	13.24%	16.46%	19.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

**SPRINGFIELD SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS**  
**TEACHER'S PENSION AND ANNUITY FUND (TPAF)**  
**LAST TEN FISCAL YEARS**

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**SPRINGFIELD SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III**

L-5

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022****Public Employee's Retirement System (PERS)**

*Changes in Benefit Terms* – None

*Changes in Assumptions* – The discount rate remained at 7.00% as of June 30, 2020, and as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* – None

*Changes in Assumption* – The discount rate changed from 5.40% as of June 30, 2020, to 7.00% as of June 30, 2021, in accordance with Paragraph 44 of GASB Statement No. 67.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) - M**

**SPRINGFIELD SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

Exhibit M-1

**LAST FOUR FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-
<b><u>State's OPEB Liability Attributable to the District</u></b>				
Service Cost	\$ 4,406,674	2,536,378	2,362,540	2,631,984
Interest	2,034,868	1,953,674	2,362,307	2,520,312
Change of Benefit Terms	(83,492)	-	-	
Benefit Payments	(1,602,906)	(1,520,024)	(1,658,054)	(1,590,361)
Member Contributions	52,022	46,072	49,149	54,965
Difference between Expected and Actual Experience	(13,754,244)	14,333,225	(9,383,569)	(5,844,701)
Change of Assumptions	<u>77,389</u>	<u>15,948,844</u>	<u>805,346</u>	<u>(6,825,145)</u>
Net Change in Total OPEB Liability	(8,869,689)	33,298,169	(5,462,281)	(9,052,946)
Total Attributable OPEB Liability - Beginning	<u>87,311,680</u>	<u>54,013,511</u>	<u>59,475,792</u>	<u>68,528,738</u>
Total Attributable OPEB Liability - Ending	<u>\$ 78,441,991</u>	<u>87,311,680</u>	<u>54,013,511</u>	<u>59,475,792</u>
District's Covered Payroll	\$ 19,860,833	19,860,833	19,393,187	19,314,563
District's Contribution	None	None	None	None
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the total OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	394.96%	439.62%	278.52%	307.93%

\* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for four years. Additional years will be presented as they become available.



**SPRINGFIELD SCHOOL DISTRICT****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2022****Exhibit M-2**Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A

**SPECIAL REVENUE FUND – E**

**SPRINGFIELD SCHOOL DISTRICT**

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title IV</u>	<u>I.D.E.A. Basic Flow-Thru</u>	<u>I.D.E.A. Pre-School</u>	<u>A.R.P. I.D.E.A. Basic Flow-Thru</u>	<u>A.R.P. I.D.E.A. Pre-School</u>	<u>Title I Carryover</u>	<u>Title III Carryover</u>
Revenues:										
Federal Sources	\$ 151,700	60,344	17,229	20,997	445,147	15,442	96,555	8,236	24,046	1,237
Local Sources										
Total Revenues	<u>151,700</u>	<u>60,344</u>	<u>17,229</u>	<u>20,997</u>	<u>445,147</u>	<u>15,442</u>	<u>96,555</u>	<u>8,236</u>	<u>24,046</u>	<u>1,237</u>
Expenditures:										
Instruction:										
Salaries of Teachers	102,569	2,823	5,756	1,410					23,876	
Purchased Professional and Technical Services										
Tuition					341,316		91,555			
General Supplies	20,224		10,972		11,392	5,423	5,000		170	450
Total Instruction	<u>122,793</u>	<u>2,823</u>	<u>16,728</u>	<u>1,410</u>	<u>352,708</u>	<u>5,423</u>	<u>96,555</u>	<u>-</u>	<u>24,046</u>	<u>450</u>
Support Services:										
Salaries										
Employee Benefits	7,847	216	365	108						
Purchased Professional Educational Services	2,896	53,403		19,479	92,439	10,019		8,236		
Other Purchased Services										500
General Supplies	18,164	3,902	136							287
Student Activities										
Total Support Services	<u>28,907</u>	<u>57,521</u>	<u>501</u>	<u>19,587</u>	<u>92,439</u>	<u>10,019</u>	<u>-</u>	<u>8,236</u>	<u>-</u>	<u>787</u>
Total Expenditures	<u>151,700</u>	<u>60,344</u>	<u>17,229</u>	<u>20,997</u>	<u>445,147</u>	<u>15,442</u>	<u>96,555</u>	<u>8,236</u>	<u>24,046</u>	<u>1,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1										
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SPRINGFIELD SCHOOL DISTRICT**

Exhibit E-1  
Sheet 2 of 2

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>C.R.R.S.A</u> <u>Coronavirus</u> <u>Response</u>	<u>C.R.R.S.A</u> <u>Mental</u> <u>Health</u>	<u>A.R.P</u> <u>E.S.S.E.R II</u>	<u>A.R.P</u> <u>E.S.S.E.R</u> <u>Acc. Learning</u>	<u>A.R.P</u> <u>E.S.S.E.R</u> <u>Afterschool</u>	<u>A.R.P</u> <u>E.S.S.E.R</u> <u>Homeless</u>	<u>Title IV</u> <u>Carryover</u>	<u>LD.E.A.</u> <u>Basic</u> <u>Flow-Thru</u> <u>Carryover</u>	<u>CARES</u> <u>Grant</u>	<u>Student</u> <u>Activities</u>	<u>Total</u> <u>2022</u>
Revenues:											
Federal Sources	264,171	42,339	497,510	39,043	4,555	6,111	650	18,718	22,805		1,736,835
Local Sources										251,380	251,380
Total Revenues	<u>264,171</u>	<u>42,339</u>	<u>497,510</u>	<u>39,043</u>	<u>4,555</u>	<u>6,111</u>	<u>650</u>	<u>18,718</u>	<u>22,805</u>	<u>251,380</u>	<u>1,988,215</u>
Expenditures:											
Instruction:											
Salaries of Teachers	172,781		126,773		4,231						440,219
Purchased Professional and Technical Services		39,643					650				40,293
Tuition								597			433,468
General Supplies	91,390		165,844			727					311,592
Total Instruction	<u>264,171</u>	<u>39,643</u>	<u>292,617</u>	<u>-</u>	<u>4,231</u>	<u>727</u>	<u>650</u>	<u>597</u>	<u>-</u>	<u>-</u>	<u>1,225,572</u>
Support Services:											
Salaries						5001					5,001
Employee Benefits			9,698		324	383					18,941
Purchased Professional Educational Services		2,696	895	39,043				18,121			247,227
Other Purchased Services			107,886								108,386
General Supplies			86,414						22,805		131,708
Student Activities										234,207	234,207
Total Support Services	<u>-</u>	<u>2,696</u>	<u>204,893</u>	<u>39,043</u>	<u>324</u>	<u>5,384</u>	<u>-</u>	<u>18,121</u>	<u>22,805</u>	<u>234,207</u>	<u>745,470</u>
Total Expenditures	<u>264,171</u>	<u>42,339</u>	<u>497,510</u>	<u>39,043</u>	<u>4,555</u>	<u>6,111</u>	<u>650</u>	<u>18,718</u>	<u>22,805</u>	<u>234,207</u>	<u>1,971,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,173</u>	<u>17,173</u>
Fund Balance, July 1										221,671	221,671
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,844</u>	<u>238,844</u>

**CAPITAL PROJECTS FUND – F**

SPRINGFIELD SCHOOL DISTRICTCAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES INFUND BALANCE - BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2022

Revenues and Other Financing Sources:	
Transfer from Capital Reserve	\$ 324,137
Interest on Investments	42
Total Revenues and Other Financing Sources	<u>324,179</u>
Expenditures:	
Other Purchased Professional and Technical Services	39,405
Construction Services	238,089
Total Expenditures and Other Financing Uses	<u>277,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,685
Other Financing Sources/(Uses):	
Due to Debt Service	<u>(42)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses)	46,643
Fund Balance - Beginning	<u>10,080</u>
Fund Balance - Ending	<u>\$ 56,723</u>

\*There is \$10,080 of old balances that are not associated with any current projects.



**SPRINGFIELD SCHOOL DISTRICT**

Exhibit F-1a

**CAPITAL PROJECTS FUND****SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,****AND PROJECT STATUS - BUDGETARY BASIS****ENERGY SAVINGS IMPROVEMENT PROGRAM****FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from Capital Reserve	\$ -	324,137	324,137	324,137
Total Revenues	<u>-</u>	<u>324,137</u>	<u>324,137</u>	<u>324,137</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Other Purchased Prof. and Tech. Services	-	39,405	39,405	45,473
Construction Services	-	238,089	238,089	278,664
Total Expenditures	<u>-</u>	<u>277,494</u>	<u>277,494</u>	<u>324,137</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>46,643</u>	<u>46,643</u>	<u>-</u>
<b><u>Additional Project Information</u></b>				
Original Authorized Cost		\$ 324,137		
Percentage Increase Over Original Authorized Cost		0		
Percentage Completion		86%		
Original Target Completion Date		N/A		
Revised Target Completion Date		N/A		

**PROPRIETARY FUNDS – G**

SPRINGFIELD SCHOOL DISTRICTSTATEMENT OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDSJUNE 30, 2022

	<u>Food Service Program</u>	<u>Aftercare Program</u>	<u>Total</u>
<b><u>Assets:</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 395,312	133,935	529,247
Accounts Receivable:			
State	1,539		1,539
Federal	73,144		73,144
Inventory	19,738		19,738
Total Current Assets	<u>489,733</u>	<u>133,935</u>	<u>623,668</u>
Noncurrent Assets			
Equipment	304,301		304,301
Accumulated Depreciation	<u>(189,351)</u>		<u>(189,351)</u>
Total Fixed Assets	<u>114,950</u>	<u>-</u>	<u>114,950</u>
Total Assets	<u>\$ 604,683</u>	<u>133,935</u>	<u>738,618</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	<u>\$ 62,368</u>		<u>62,368</u>
Total Liabilities	<u>\$ 62,368</u>	<u>-</u>	<u>62,368</u>
<b><u>Net Position:</u></b>			
Investment in Capital Assets	\$ 114,950		114,950
Unrestricted	<u>427,365</u>	<u>133,935</u>	<u>561,300</u>
Total Net Position	<u>\$ 542,315</u>	<u>133,935</u>	<u>676,250</u>

SPRINGFIELD SCHOOL DISTRICTSCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit G-2

ENTERPRISE FUNDSJUNE 30, 2022

	<u>Food Service Program</u>	<u>Aftercare Program</u>	<u>Total</u>
Operating Revenues:			
Daily Sales - Reimbursable Programs	\$ 21,610		21,610
Daily Sales - Non-Reimbursable Programs	142,304		142,304
Fees		588,210	588,210
Total Operating Revenues	<u>163,914</u>	<u>588,210</u>	<u>752,124</u>
Operating Expenses:			
Salaries	337,837	395,745	733,582
Other Employee Benefits	81,181		81,181
Cost of Sales - Reimbursable Programs	441,308		441,308
Cost of Sales - Non-Reimbursable Programs	54,544		54,544
Supplies and Materials	56,780	206,966	263,746
Management Fee	59,820		59,820
Contracted Services	116,294		116,294
Depreciation	20,068		20,068
Insurance	51,087		51,087
Miscellaneous	17,039		17,039
Operating Expenses	<u>1,235,958</u>	<u>602,711</u>	<u>1,838,669</u>
Operating Gain/(Loss)	(1,072,044)	(14,501)	(1,086,545)
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	23,253		23,253
Federal Sources:			
National School Lunch Program	990,444		990,444
PEBT Program	614		614
Emergency Operational Costs	22,069		22,069
After School Snacks	23,748		23,748
Federal Breakfast Program	67,165		67,165
Food Distribution Program	54,992		54,992
Total Non-Operating Revenues	<u>1,182,285</u>	<u>-</u>	<u>1,182,285</u>
Change in Net Position	110,241	(14,501)	95,740
Adjustment for Fixed Assets	(7,130)	(50,500)	(57,630)
Net Position, July 1	<u>439,204</u>	<u>198,936</u>	<u>638,140</u>
Net Position, June 30	<u>\$ 542,315</u>	<u>133,935</u>	<u>676,250</u>

**SPRINGFIELD SCHOOL DISTRICT****SCHEDULE OF CASH FLOWS****Exhibit G-3****ENTERPRISE FUNDS****JUNE 30, 2022**

	<b><u>Food Service Program</u></b>	<b><u>Aftercare Program</u></b>	<b><u>Total</u></b>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 163,914	588,210	752,124
Payments to Employees	(337,837)	(395,745)	(733,582)
Payments to Suppliers	(845,695)	(206,966)	(1,052,661)
Net Cash Provided (Used) by Operating Activities	<u>(1,019,618)</u>	<u>(14,501)</u>	<u>(1,034,119)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	23,253		23,253
Federal Sources	1,104,040		1,104,040
Net Cash Provided by Noncapital Financing Activities	<u>1,127,293</u>	<u>-</u>	<u>1,127,293</u>
Net Increase (Decrease) in Cash and Cash Equivalents	107,675	(14,501)	93,174
Cash and Cash Equivalents, July 1	<u>287,637</u>	<u>148,436</u>	<u>436,073</u>
Cash and Cash Equivalents, June 30	<u>\$ 395,312</u>	<u>133,935</u>	<u>529,247</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,072,044)	(14,501)	(1,086,545)
Depreciation	20,068		20,068
Federal Commodities Consumed	54,992		54,992
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities			
Decrease/(Increase) in Inventory	(11,554)		(11,554)
(Decrease)/Increase in Accounts Payable	(797)		(797)
Decrease/(Increase) in Accounts Receivable	<u>(10,283)</u>		<u>(10,283)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,019,618)</u>	<u>(14,501)</u>	<u>(1,034,119)</u>

**FIDUCIARY FUND – H**

**N/A**

## **LONG-TERM DEBT – I**

**SPRINGFIELD SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

Exhibit I-1

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2022**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
2012 Refunding	11/13/2012	\$ 6,485,000	6/15/2023	\$ 910,000	3.00%	\$ 1,810,000	900,000	910,000
2014 ESIP Lease Purchase	12/17/2014	2,375,000	6/17/2023	89,510	2.84%	1,901,217	82,776	1,818,441
			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				
2017 Equipment Lease Purchase	9/29/2017	- 1,500,000	10/1/2022	259,721	1.72%	639,431	379,710	259,721
						<u>\$ 4,350,648</u>	<u>1,362,486</u>	<u>2,988,162</u>



**SPRINGFIELD SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

**Exhibit I-2**

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2022**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2021</u></b>	<b><u>Paid Current Year</u></b>	<b><u>Amount Outstanding June 30, 2022</u></b>
Equipment Lease Computers	8/14/2019	\$ 2,099,895	0.000%	<u>\$ 1,259,937</u>	<u>419,979</u>	<u>839,958</u>

**SPRINGFIELD SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**

Exhibit I-3

**DEBT SERVICE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<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	\$ 954,300		954,300	954,300	
Total Revenues	<u>954,300</u>	<u>-</u>	<u>954,300</u>	<u>954,300</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	54,300		54,300	54,300	-
Redemption of Principal	900,000		900,000	900,000	-
Total Regular Debt Service	<u>954,300</u>	<u>-</u>	<u>954,300</u>	<u>954,300</u>	<u>-</u>
Total Expenditures	<u>954,300</u>	<u>-</u>	<u>954,300</u>	<u>954,300</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balance June 30	<u>\$ 2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>

**STATISTICAL SECTION**

**(Unaudited)**

**Township of Springfield Board of Education**  
**Net Position by Component,**  
**Last Ten Fiscal Years (Unaudited)**  
*(accrual basis of accounting)*

Exhibit J-1

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 26,150,476	27,929,260	31,559,627	36,113,780	39,991,608	42,366,887	43,830,390	5,711,036
Restricted	7,191,747	8,059,385	6,015,972	4,671,760	4,965,711	5,424,111	7,161,553	12,068,686
Unrestricted	(13,474,988)	(11,044,621)	(10,428,670)	(10,590,151)	(11,111,266)	(9,552,807)	(8,041,114)	(8,821,523)
<b>Total governmental activities net Position</b>	<b>\$ 19,867,235</b>	<b>24,944,024</b>	<b>27,146,929</b>	<b>30,195,389</b>	<b>33,846,053</b>	<b>38,238,191</b>	<b>42,950,829</b>	<b>8,958,199</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt				166,317	154,058	212,598	192,648	114,950
Restricted								
Unrestricted	574,217	741,005	851,495	773,264	926,699	615,403	445,492	561,300
<b>Total business-type activities net Position</b>	<b>\$ 574,217</b>	<b>741,005</b>	<b>851,495</b>	<b>939,581</b>	<b>1,080,757</b>	<b>828,001</b>	<b>638,140</b>	<b>676,250</b>
<b>District-wide</b>								
Invested in capital assets, net of related debt	\$ 27,926,260	27,926,260	31,559,627	36,280,097	40,145,666	42,579,485	44,023,038	5,825,986
Restricted	8,059,385	8,059,385	6,015,972	4,671,760	4,965,711	5,424,111	7,161,553	12,068,686
Unrestricted	(10,303,626)	(10,303,626)	(9,577,175)	(9,816,887)	(10,184,567)	(8,937,404)	(7,595,622)	(8,260,223)
<b>Total district net Position</b>	<b>\$ 25,682,019</b>	<b>25,682,019</b>	<b>27,998,424</b>	<b>31,134,970</b>	<b>34,926,810</b>	<b>39,066,192</b>	<b>43,588,969</b>	<b>9,634,449</b>

**Township of Springfield Board of Education**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

Exhibit J-2

	Fiscal Year Ended									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 15,418,585	14,690,444	15,623,930	15,167,374	16,045,867	16,071,665	16,518,532	16,964,705	17,334,828	11,793,015
Special education	5,086,541	5,325,867	5,281,962	6,112,962	5,887,225	7,243,994	7,738,550	8,192,110	8,981,388	4,902,769
Other special education	483,635	484,175	514,988	614,753	582,521	586,525	614,609	643,638	678,947	1,455,603
Other instruction	784,016	878,814	881,014	992,785	1,015,813	1,088,776	1,099,970	1,086,355	922,466	
Support Services:										
Tuition	2,517,149	2,798,724	2,651,902	2,461,704	2,768,824	3,363,319	3,299,975	3,076,302	3,607,085	3,790,141
Student & instruction related services	4,079,505	4,086,994	4,209,773	4,192,695	4,602,063	4,706,182	4,918,047	4,712,963	5,163,055	5,487,368
General and Business Administrative Services	690,941	738,722	933,654	961,219	725,227	792,368	860,910	869,487	847,449	1,422,821
School administrative services	1,563,798	1,579,456	1,667,121	1,755,917	1,819,159	1,839,326	1,895,051	1,953,079	2,020,611	1,224,950
Other Administrative Services										
Plant operations and maintenance	4,893,280	4,446,902	5,136,202	5,019,593	4,803,903	4,760,820	4,759,032	4,997,267	5,284,159	4,385,642
Pupil transportation	1,567,061	1,689,880	1,578,585	1,885,257	2,192,414	2,129,808	2,198,022	1,947,629	2,227,113	2,424,839
Business and Other Support Services	553,604	543,585	601,257	593,572	644,048	660,349	693,564	717,866	614,391	
Special Schools	56,397	59,818	60,235	69,810	54,887	85,416	67,461	90,631	22,007	33,188
Proportionate share of pension plan expense			554,628	(157,494)	997,672	398,831	305,027	(499,842)	(390,707)	
Capital Outlay										1,236,132
Unallocated Benefits										13,593,760
Interest on long-term debt	4,862	249,494	261,717	175,947	176,498	157,307	129,121	99,665	76,597	51,700
Compensated Absences	10,297	54,280	75,219	(106,222)	(106,222)	161,211	22,905	32,604	31,389	
ARRA - ESF										
ARRA - GSF										
Education Jobs										
Unallocated depreciation										186,265
<b>Total governmental activities expenses</b>	<b>37,709,671</b>	<b>37,627,155</b>	<b>40,032,187</b>	<b>39,739,877</b>	<b>42,209,899</b>	<b>44,045,897</b>	<b>45,120,776</b>	<b>44,884,469</b>	<b>47,420,778</b>	<b>51,988,193</b>
Business-type activities:										
Food service	704,127	625,144	570,216	705,519	747,840	811,933	894,439	683,726	489,134	1,235,958
Child Care	558,836	651,379	614,507	696,653	748,509	805,997	795,463	779,923	269,642	602,711
<b>Total business-type activities expense</b>	<b>1,262,963</b>	<b>1,276,523</b>	<b>1,184,723</b>	<b>1,402,172</b>	<b>1,496,349</b>	<b>1,617,930</b>	<b>1,689,902</b>	<b>1,463,649</b>	<b>758,776</b>	<b>1,838,669</b>
<b>Total district expenses</b>	<b>38,972,634</b>	<b>38,903,678</b>	<b>41,216,910</b>	<b>41,142,049</b>	<b>43,706,248</b>	<b>45,663,827</b>	<b>46,810,678</b>	<b>46,348,118</b>	<b>48,179,554</b>	<b>53,826,862</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 85,893	133,328	73,993	80,550	100,508	162,734	41,256	7,700	83,621	19,890
Plant operations and maintenance	28,150	25,213	17,675	20,950	22,950	144,051	143,438	91,555	80,161	
Pupil transportation	11,876	14,168	19,234	12,919	18,313	15,365	22,372	9,290	5,100	
Business and other support services										
Operating grants and contributions	3,797,872	3,349,657	3,858,763	4,366,543	4,802,783	5,457,683	6,185,824	6,418,858	7,984,931	1,950,677
Capital grants and contributions		14,236	488,275	389,350						
<b>Total governmental activities program revenues</b>	<b>3,923,791</b>	<b>3,536,602</b>	<b>4,457,940</b>	<b>4,870,312</b>	<b>4,944,554</b>	<b>5,779,853</b>	<b>6,392,890</b>	<b>6,527,403</b>	<b>8,153,813</b>	<b>1,970,567</b>
Business-type activities:										
Charges for services:										
Food service	519,081	509,507	514,973	608,166	634,016	681,348	737,700	535,216	5,065	163,914
Child care	559,002	674,452	674,019	767,246	765,709	844,010	806,853	504,832	38,352	588,210
Operating grants and contributions	123,779	145,130	147,775	185,837	197,748	212,106	229,582	159,597	524,380	1,182,285
Capital grants and contributions										
<b>Total business type activities program revenues</b>	<b>1,201,862</b>	<b>1,329,089</b>	<b>1,336,767</b>	<b>1,561,249</b>	<b>1,597,473</b>	<b>1,737,464</b>	<b>1,774,135</b>	<b>1,199,645</b>	<b>567,797</b>	<b>1,934,409</b>
<b>Total district program revenues</b>	<b>5,125,653</b>	<b>4,865,691</b>	<b>5,794,707</b>	<b>6,431,561</b>	<b>6,542,027</b>	<b>7,517,317</b>	<b>8,167,025</b>	<b>7,727,048</b>	<b>8,721,610</b>	<b>3,904,976</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (33,785,880)	(34,090,553)	(35,574,247)	(34,869,565)	(37,265,345)	(38,266,044)	(38,727,886)	(38,357,066)	(39,266,965)	(33,992,630)
Business-type activities	(61,101)	52,566	152,044	159,077	101,124	119,534	84,233	(264,004)	(190,979)	38,110
<b>Total district-wide net expense</b>	<b>\$ (33,846,981)</b>	<b>(34,037,987)</b>	<b>(35,422,203)</b>	<b>(34,710,488)</b>	<b>(37,164,221)</b>	<b>(38,146,510)</b>	<b>(38,643,653)</b>	<b>(38,621,070)</b>	<b>(39,457,944)</b>	<b>(33,954,520)</b>

**General Revenues and Other Changes in Net Position**  
 Governmental activities:

**Township of Springfield Board of Education**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

Exhibit J-2

	Fiscal Year Ended									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Property taxes levied for general purposes, net	\$ 33,008,662	33,668,835	35,932,497	36,640,363	37,362,178	38,098,213	38,848,752	39,614,068	40,406,349	41,214,475
Taxes levied for debt service	1,111,175	1,003,550	992,595	987,800	979,250	975,250	965,652	955,600	940,100	954,300
Unrestricted grants and contributions	1,413,480	1,624,296	1,557,155	1,485,976	1,592,153	1,836,571	2,259,675	2,384,052	2,744,590	11,820,132
Tuition										
Investment earnings	118,420	79,268	80,326	95,163	108,570	124,366	155,443	123,526	26,834	
Miscellaneous income	444,826	213,244	374,055	234,404	428,655	289,348	280,291	493,687		869,120
Capital lease payments	335,529	1,013,277	355,746	355,746	691,608	640,579	376,171	370,885	370,884	
Fixed asset adjustment	-312,740	(376,798)	206,421		(2,115,831)	(1,290,681)	(920,681)	(1,788,798)	(1,285,765)	(38,833,031)
GASB #68 Prior Period Adjustment-Pension Plan			(9,992,276)							
Section 1701 Adjustment							(124,987)			
Lease Purchase Payments				143,902	424,667	598,172	580,919	595,914	490,778	
Other										
Transfers										
<b>Total governmental activities</b>	<b>\$ 36,119,352</b>	<b>37,225,672</b>	<b>29,506,519</b>	<b>39,943,354</b>	<b>39,471,250</b>	<b>41,271,818</b>	<b>42,421,235</b>	<b>42,748,934</b>	<b>43,693,770</b>	<b>16,024,996</b>
Business-type activities:										
Investment earnings	8,775	7,137	6,421	7,711	9,365	11,239	14,257	11,248	1,118	
Miscellaneous Income	0									(57,630)
<b>Total business-type activities</b>	<b>8,775</b>	<b>7,137</b>	<b>6,421</b>	<b>7,711</b>	<b>9,365</b>	<b>11,239</b>	<b>14,257</b>	<b>11,248</b>	<b>1,118</b>	<b>(57,630)</b>
<b>Total district-wide</b>	<b>\$ 36,128,127</b>	<b>37,232,809</b>	<b>29,512,940</b>	<b>39,951,065</b>	<b>39,480,615</b>	<b>41,283,057</b>	<b>42,435,492</b>	<b>42,760,182</b>	<b>43,694,888</b>	<b>15,967,366</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,333,472	3,135,119	(6,068,728)	5,073,789	2,205,905	3,005,774	3,693,349	4,392,138	4,426,805	(33,992,630)
Business-type activities	(52,326)	59,703	158,465	166,788	110,489	130,773	98,490	(252,756)	(189,861)	38,110
<b>Total district</b>	<b>\$ 2,281,146</b>	<b>3,194,822</b>	<b>(5,910,263)</b>	<b>5,240,577</b>	<b>2,316,394</b>	<b>3,136,547</b>	<b>3,791,839</b>	<b>4,139,382</b>	<b>4,236,944</b>	<b>(33,954,520)</b>

**Township of Springfield Board of Education**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years (Unaudited)**  
*(modified accrual basis of accounting)*

Exhibit J-3

	2015	2016	2017	2018	2019	2020	2021	2022
General Fund								
Reserved	\$ 2,355,541	3,360,928	4,974,262	4,625,400	4,955,629	5,414,029	7,099,751	8,611,189
Committed				1,233,058	1,210,801	2,788,455	2,835,916	2,883,682
Assigned	2,555,726	3,450,497	2,514,767	196,250	707,505	84,860	221,649	288,328
Unreserved	869,515	770,362	888,576	1,007,596	769,704	899,981	1,874,685	1,964,136
Total General fund	<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>	<u>12,032,001</u>	<u>13,747,335</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	1,724	46,643
Assigned, reported in:								
Capital projects fund	13,698	47,220	96,179					
Unreserved, reported in:								
Special revenue fund								238,844
Capital projects fund	397,340	(345,959)	(396,027)	403,133	8,356	8,356	8,356	10,080
Debt service fund					2	2	2	2
Permanent fund								
Total all other governmental funds	<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>	<u>10,082</u>	<u>295,569</u>

**Township of Springfield Board of Education  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years (Unaudited)**

Exhibit J-4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 34,119,837	34,672,385	36,925,092	36,640,363	38,341,428	39,073,463	39,814,404	40,569,668	41,346,449	42,168,775
Tuition charges				80,550	100,508	162,734	41,256	7,700		19,890
Interest earnings				95,163	108,570	124,366	155,443	123,526	26,770	
Transportation Fees				12,919	18,313	15,385	22,372	9,290	5,100	2,550
Rental Facilities				20,950	22,950	144,051	143,438	91,555		80,161
Other Local Revenue	614,230	463,338	564,283	234,405	428,655	289,348	280,291	493,687	193,435	1,100,777
State sources	4,689,262	4,439,084	5,243,023	5,611,421	5,808,370	6,619,389	7,742,778	8,179,937	9,675,595	11,805,178
Federal sources	522,090	549,105	661,173	630,448	586,566	674,865	702,721	622,973	944,176	1,731,424
<b>Total revenue</b>	<b>\$ 39,945,419</b>	<b>40,123,912</b>	<b>43,393,571</b>	<b>43,328,219</b>	<b>45,415,360</b>	<b>47,103,601</b>	<b>48,902,703</b>	<b>50,098,336</b>	<b>52,271,686</b>	<b>56,828,594</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	\$ 10,974,302	11,074,562	11,162,482	11,233,057	11,115,512	11,225,557	11,308,606	11,434,732	12,191,628	11,793,015
Special education instruction	2,441,128	2,558,411	2,645,072	2,846,913	2,798,169	3,167,434	3,277,410	3,501,456	3,639,883	4,902,769
Other special instruction	258,606	281,888	290,667	363,631	301,787	299,584	310,133	320,458	329,502	
Vocational education									728,329	
Other instruction	727,769	828,242	824,934	853,270	859,850	929,365	930,817	906,810		1,455,603
Nonpublic school programs										
Adult/continuing education programs										
<b>Support Services:</b>										
Tuition	2,517,149	2,798,724	2,651,902	2,461,704	2,768,824	3,363,319	3,299,975	3,076,302	3,607,086	3,790,141
Student & instruction related services	4,520,547	4,539,543	4,673,890	4,651,167	5,060,868	5,213,132	5,470,263	5,128,724	4,502,993	5,487,368
General administrative services	546,300	608,295	817,493	845,607	596,456	661,839	722,587	723,351	692,138	1,149,174
School Administrative services	1,163,505	1,221,308	1,270,469	1,305,381	1,312,546	1,328,082	1,352,740	1,377,218	1,399,374	1,422,821
Other Administrative services										75,776
Plant operations and maintenance	4,077,495	3,713,559	4,014,545	4,042,941	3,712,113	3,613,014	3,541,083	3,704,504	3,886,337	4,385,642
Pupil transportation	1,370,160	1,512,879	1,382,304	1,438,810	1,693,331	1,619,691	1,856,730	1,372,826	1,605,876	2,424,839
Business and Other Support Services	5,537,967	5,062,854	5,863,891	5,704,239	5,920,288	6,296,851	6,539,496	7,049,953	381,427	
Unallocated employee benefits	3,132,065	2,712,346	3,132,596	3,665,032	4,147,048	4,736,394	5,385,552	5,724,611	13,885,676	15,758,701
ARRA-ESF										
ARRA-GSF										
Capital outlay	520,063	3,547,654	3,364,293	4,712,220	6,452,596	6,074,952	3,807,289	3,187,474	1,856,849	1,236,132
Education Jobs										
Special Schools	56397	59,818	60,235	69,810	54,887	85,416	67,461	90,631	22,007	33,188
<b>Debt service:</b>										
Principal	1,107,870	1,003,550	995,900	987,800	979,250	975,250	965,650	955,600	860,000	900,000
Interest and other charges									80,100	54,300
<b>Total expenditures</b>	<b>\$ 38,951,313</b>	<b>41,523,633</b>	<b>43,150,673</b>	<b>45,181,582</b>	<b>47,773,525</b>	<b>49,589,880</b>	<b>48,635,792</b>	<b>48,554,650</b>	<b>49,671,205</b>	<b>54,869,469</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>994,106</b>	<b>(1,399,721)</b>	<b>242,898</b>	<b>(1,855,363)</b>	<b>(2,358,165)</b>	<b>(2,486,279)</b>	<b>266,911</b>	<b>1,543,686</b>	<b>2,600,481</b>	<b>1,959,125</b>
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)	\$	1,790,295			1,819,400	-	-	-	-	-
Capital Projects										
Sale/Leaseback Proceeds			2,375,000	1,500,000		1,500,000				
Leaseback Expenditures										
Proceeds of refunding debt										
Current/Anticipated Additional Surplus										
Par amount of bonds										
Accounts Receivable Cancelled										
Accounts Payable Cancelled										
Premium on Sale of Bonds										
Accrued interest										
Prior Year Adjustment	(214,065)	(5)					(124,987)			58
Transfers in	0	1,983,457	483	554	1,387	827,570	335,150	699,287		
Transfers out		(1,983,457)	(483)	(554)	(1,387)	(827,570)	(335,150)	(699,287)		
<b>Total other financing sources (uses)</b>	<b>(214,065)</b>	<b>1,790,290</b>	<b>2,375,000</b>	<b>1,500,000</b>	<b>1,819,400</b>	<b>1,500,000</b>	<b>(124,987)</b>	<b>-</b>	<b>-</b>	<b>58</b>
<b>Net change in fund balances</b>	<b>780,041</b>	<b>390,569</b>	<b>2,617,898</b>	<b>(355,363)</b>	<b>(538,765)</b>	<b>(986,279)</b>	<b>141,924</b>	<b>1,543,686</b>	<b>2,600,481</b>	<b>1,959,183</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.88%</b>	<b>2.64%</b>	<b>2.50%</b>	<b>2.44%</b>	<b>2.37%</b>	<b>2.24%</b>	<b>2.15%</b>	<b>2.11%</b>	<b>1.80%</b>	<b>1.70%</b>



**Township of Springfield Board of Education  
General Fund Other Local Revenue by Source  
Last Ten Years  
Unaudited**

Exhibit J-5

<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>
2022	19,890	25,432	2,550	85,250	566,201	699,323
2021		26,720	5,100	80,161	64	112,045
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

Township of Springfield School District  
Assessed and Estimated Actual Value of Taxable Property  
Unaudited

Exhibit J-6

<u>Year Ended</u> <u>December 31,</u>	<u>Net Assessed</u> <u>Valuations</u>	<u>Estimated Full</u> <u>Cash Valuations</u>	<u>% of Net Assessed</u> <u>to Estimated Full</u> <u>Cash Valuations</u>
2012	1,108,732,175.00	2,811,225,426.00	39.44%
2013	1,107,981,757.00	2,674,955,492.33	41.42%
2014	1,111,606,018.00	2,513,239,923.00	44.23%
2015	1,112,380,558.00	2,481,884,333.00	44.82%
2016	1,112,422,694.00	2,408,884,136.00	46.18%
2017	1,108,844,532.00	2,469,037,034.00	44.91%
2018	1,111,262,920.00	2,647,218,506.00	41.98%
2019	1,112,290,224.00	2,872,453,197.00	38.72%
2020	1,116,079,842.00	2,883,927,240.00	38.70%
2021	1,121,573,400.00	3,051,070,185.00	36.76%

Township of Springfield School District  
 Property Tax Rates - Direct and Overlapping Governments  
 Per \$100 of Assessed Valuation  
 Unaudited

Exhibit J-7

Assessment Year	Township of Springfield School District	Regional High School	Springfield Township	Open Spaces	Union County	Total
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	3.45	-	2.14	0.03	1.14	6.77
2017	3.52	-	2.19	0.03	1.16	6.91
2018	3.59	-	2.23	0.03	1.25	7.10
2019	3.59	-	2.31	0.04	1.27	7.33
2020	3.71	-	2.23	0.04	1.27	7.243
2021	3.757	-	2.264	0.041	1.293	7.355
2022	1.071	-	0.661	0.013	0.397	2.142

Township of Springfield School District  
SCHEDULE OF PRINCIPAL TAXPAYERS  
For year ended December 31, 2021

Exhibit J-8

<u>Taxpayer</u>	<u>Assessed Valuation</u> <u>2021</u>	<u>As a % of District's</u> <u>Net Assessed</u> <u>Valuation</u>
Baltusrol Golf Club	18,041,900.00	1.62%
Springfield Gardens LLC	15,208,200.00	1.37%
Skyline Ridge Developers, LLC	9,855,000.00	0.89%
Toresco Automotive Property Holding	9,780,300.00	0.88%
Summit Hill at Springfield	9,226,900.00	0.83%
Short Hills Club Village	7,999,000.00	0.72%
The Villas	6,600,000.00	0.59%
Springfield Holdings 2013	6,566,400.00	0.59%
Springfield Associates	6,237,400.00	0.56%
Briant Park Commons	6,182,400.00	0.56%
	<u>\$ 95,697,500.00</u>	<u>8.60%</u>

Township of Springfield School District  
Municipal Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Exhibit J-9

<u>Year Ended</u> <u>December 31,</u>	<u>Total Tax</u> <u>Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percent of Tax</u> <u>Levy Collected</u>
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%
2020	82,398,713	81,766,406	99.23%
2021	84,205,051	83,670,684	99.37%

Springfield Public Schools  
Ratios of Outstanding Debt by Type

Exhibit J-10

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Capital</u> <u>Leases</u>	<u>Lease Purchase</u> <u>ESIP</u>	<u>Total</u> <u>District</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u>
2016	\$5,975,000	\$360,727	\$3,731,098	\$10,066,825	0.90%	577
2017	\$5,175,000	\$1,758,519	\$3,306,431	\$10,239,950	0.92%	578
2018	\$4,355,000	\$1,117,940	\$4,208,259	\$9,681,199	0.87%	553
2019	\$3,520,000	\$741,769	\$3,627,340	\$7,889,109	0.71%	452
2020	\$2,670,000	\$370,884	\$3,031,426	\$6,072,310	0.54%	349
2021	\$1,810,000	\$874,198	\$2,540,648	\$5,224,846	0.47%	308
2022	\$910,000	\$679,251	\$1,774,074	\$3,363,325		

Springfield Public Schools  
 Ratios of Net General Bonded Debt Outstanding

Exhibit J-11

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	<u>Deductions</u>	Net General Bonded Debt Outstanding	Percentage Actual Taxable Value of Property	<u>Per Capita</u>
2013	\$ 8,285,000.00		\$ 8,285,000.00	1,107,981,757.00	491
2014	\$ 7,530,000.00		\$ 7,530,000.00	1,111,606,018.00	438
2015	\$ 6,760,000.00		\$ 6,760,000.00	1,112,380,558.00	386
2016	\$ 5,975,000.00		\$ 5,975,000.00	1,112,422,694.00	342
2017	\$ 5,175,000.00		\$ 5,175,000.00	1,108,844,532.00	292
2018	\$ 4,355,000.00		\$ 4,355,000.00	1,111,262,920.00	249
2019	\$ 3,520,000.00		\$ 3,520,000.00	1,112,290,224.00	202
2020	\$ 2,670,000.00		\$ 2,670,000.00	1,116,079,842.00	154
2021	\$ 1,810,000.00		\$ 1,810,000.00	1,121,573,400.00	107
2022	\$ 910,000.00		\$ 910,000.00	-	

Township of Springfield School District  
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
 For year ended June 30, 2021  
 Unaudited

J-12

Net Direct Debt of School District as of June 30, 2022		910,000.00
Net Overlapping Debt of School District:		
Township of Springfield (100%)	227,400,000.00	
County of Union - Township's share (9.63061%)	22,411,216.72	
		<u>249,811,216.72</u>
 Total Direct and Overlapping Bonded Debt as of June 30, 2020		 <u><u>\$ 250,721,216.72</u></u>



Township of Springfield School District  
 COMPUTATION OF LEGAL DEBT MARGIN  
 For year ended June 30, 2022

Unaudited

Exhibit J-13

Equalized Valuation Basis	2021	1,121,573,400.00
	2022	4,011,278,100.00
		<u>5,132,851,500.00</u>
Average equalized valuation of taxable property		2,566,425,750.00
Debt limit (4% of average equalization value)	102,657,030.00	
Net Bonded School Debt as of June 30, 2022	910,000.00	
School Borrow Margin Available		<u>101,747,030.00</u>

Borough of Roselle Park School District  
 Demographic and Economic Statistics  
 Last Ten Years

Exhibit J-14

<u>Year</u>	<u>Population</u>	Personal Income (thousands of dollars)	Union County Per Capita Personal Income	Unemployment Rate
2012	16,862		\$ 49,932	3.5
2013	16,862		\$ 52,281	6.8
2014	17,193		\$ 53,816	4.5
2015	17,502		\$ 54,382	3.8
2016	17,447		\$ 57,306	3.4
2017	17,726		\$ 60,089	3.3
2018	17,517		\$ 60,406	3.1
2019	17,464		\$ 68,555	2.3
2020	17,378		\$ 70,955	7.6
2021	16,979		\$ 77,007	4.5

Borough of Springfield Public Schools  
Principal Employers,  
2022

Exhibit J-15

<u>Employer</u>	<u>Employees</u>
Springfield Public Schools	358
Springfield Township	177

Township of Springfield School District      Exhibit J-16  
 Full-time Equivalent District Employees by Function/Program  
 30-Jun-22  
 Unaudited

<u>Function/Program</u>	<u>2022</u>
<b>Instruction</b>	
Regular Education	131
Special Education	102
Other Special Instruction	2
Vocational	-
Other Instruction	6
NonPublic Schools Program	-
Adult/Continuing Education Programs	-
<b>Support Services</b>	
Student and Instruction Related Services	24
General and Business Administrative Services	7
School Administrative Services	22
Other Administrative Service	-
Central Services	-
Administrative Information Technology	2
Plant Operations and Maintenance	36
Transportation	9
Other Support Services	-
Special Schools	-
Food Service	-
Before/Aftercare, Childcare	17
	358

Township of Springfield School District  
 Operating Statistics  
 For the Year Ended June 30, 2022  
 Unaudited

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures *1	Cost Per Pupil	% Change	Teaching Staff *2	Pupil/Teacher Ratio			Avg. Daily *3 Enrollment (ADE)	Avg. Daily *4 Attendance (ADA)	% change in Avg. Daily Enrollment	% change in Avg. Daily Attendance
						Elementary	Middle	High				
2022	2,192	42,982,421	19,613	7.55%	207	20:1	20:1	23:1	2,163.0	2,025.0	-3.53%	93.62%
2021	2,204	40,182,652	18,236	-7.72%	207	20:1	20:1	23:1	2,242.1	2,169.5	-1.62%	96.76%
2020	2,248	44,411,576	19,760	1.63%	207	20:1	20:1	23:1	2,279.0	2,112.2	1.56%	92.68%
2019	2,256	43,862,853	19,443	4.32%	207	20:1	20:1	23:1	2,244.0	2,109.0	0.27%	93.98%
2018	2,283	42,539,678	18,637	3.83%	207	20:1	20:1	23:1	2,238.0	2,127.0	0.72%	95.04%
2017	2,248	40,341,679	17,950	12.44%	207	20:1	20:1	23:1	2,222.0	2,118.0	-2.11%	95.32%
2016	2,299	36,699,525	15,963	-5.18%	207	20:1	21:1	23:1	2,270.0	2,170.0	-1.00%	95.59%
2015	2,310	38,887,895	16,835	7.84%	207	20:1	21:1	23:1	2,293.0	2,191.0	-0.78%	95.55%
2014	2,369	36,972,429	15,610	-4.91%	207	20:1	21:1	23:1	2,311.1	2,204.5	2.67%	95.39%
2013	2,274	37,323,380	16,417	-0.02%	207	20:1	21:1	23:1	2,251.1	2,137.3	3.66%	94.94%

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

Exhibit J-18

<b>District Building</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Walton										
Sq Ft	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	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65	590.65
Enrollment	667.00	634.00	665.00	640.00	605.00	651.00	624.00	593.50	565.00	556
Sandmeier										
Sq Ft	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	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30	321.30
Enrollment	243.00	240.00	252.00	288.00	270.00	265.00	263.00	258.30	225.00	245
Caldwell										
Sq Ft	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	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70	227.70
Enrollment	273.00	245.00	244.00	261.00	268.00	261.00	256.00	265.30	226.00	218
FMG										
Sq Ft	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	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45	661.45
Enrollment	444.00	492.00	505.00	518.00	511.00	478.00	514.00	547.00	540.00	515
JDHS										
Sq Ft	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	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35	655.35
Enrollment	624.00	618.00	628.00	605.00	569.00	593.00	587.00	615.20	578.00	628

Number of School at June 30, 2022

Elementary	3
Middle Sch	1 * As of October 15, 2022
High Sch	1

**Source** District Facilities Office (LRFP)  
 October 15, 2022 Enrollment data

Township of Springfield School District  
 General Fund  
 Schedule of Required Maintenance For School Facilities  
 June 30, 2022  
 Unaudited

J-19

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

<u>* School Facilities</u>	<u>School Number</u>	<u>2022</u>
Jonathan Dayton High School	010	319,892.91
Edward V. Walton	050	258,480.92
Florence M. Guadineer	060	277,427.24
James Caldwell	070	138,506.94
Thelma L. Sandmeier	090	158,747.16
Total School Facilities		<u><u>1,153,055.17</u></u>

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

Township of Springfield School District  
Insurance Schedule  
June 30, 2022  
Unaudited

J-20

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
<b>Multi Peril Package Policy</b>		
<b>Utica Insurance</b>		
Property - Building & Contents	\$157,800,594	5,000.00
Liability - General Aggregate	\$3,000,000	
Liability - Products/Completed Operations	3,000,000.00	
Liability - Personal & Advertising Injury	1,000,000.00	
Liability - Fire	1,000,000.00	
Liability - Medical Expense Limit	10,000.00	
Liability - Employee Benefit Programs Aggregate	3,000,000.00	1,000.00
Liability - Employee Benefit Programs Each Loss	1,000,000.00	1,000.00
Liability - Abuse or Molestation Aggregate	3,000,000.00	
Liability - Abuse or Molestation Each Loss	1,000,000.00	
Liability - Employment related practices each claim	1,000,000.00	10,000.00
Liability - Employment related practices aggregate	1,000,000.00	10,000.00
Crime - Employee Dishonesty	500,000.00	500.00
Crime - Forgery	100,000.00	500.00
Crime - Money and Securities Inside	25,000.00	500.00
Crime - Money and Securities Outside	25,000.00	500.00
Crime - Computer and Funds Transfer Fraud	100,000.00	0.00
Inland Marine - Electronic Data Processing Hardware (software incld)	3,000,000.00	1,000.00
<b>Automobile Policy</b>		
<b>Utica Insurance</b>		
Bodily Injury & Property	1,000,000.00	-
Comprehensive Deductible	-	500.00
Collision Deductible	-	1,000.00
<b>Errors &amp; Omissions Liability</b>		
<b>Utica Insurance</b>		
Each Claim	1,000,000.00	5,000.00
Aggregate	3,000,000.00	5,000.00
<b>Workers Compensation</b>		
NJSIG		
Each Accident; Each Employee	3,000,000.00	
<b>Umbrella</b>		
<b>Utica Insurance</b>		
Limit	25,000,000.00	10,000.00
<b>CAP</b>		
<b>Firemans Fund</b>		
Limit	25,000,000.00	
<b>Student Accident</b>		
<b>Zurich (Bollinger)</b>		
Compulsory Coverage	6,000,000.00	500.00
<b>Bonds</b>		
<b>Selective</b>		
Treasurer	285,000.00	
Board Secretary	260,422.00	
<b>Travel Accident</b>		
<b>Chubb</b>		
Member (per week)	1,500.00	
<b>Environmental Site Liability</b>		
<b>Lloyds (Beazley)</b>		
Each Incident	1,000,000.00	10,000.00
<b>Cyber Liability</b>		
<b>Cowbell</b>		
Aggregate	3,000,000.00	25,000.00



**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER**  
**FINANCIAL REPORTING AND REPORTING ON COMPLIANCE AND OTHER MATTERS**  
**BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED**  
**IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

K-1

Honorable President and Members  
of the Board of Education  
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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Board of Education, County of Union, State of New Jersey as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Springfield Board of Education, County of Union, State of New Jersey's basic financial statements, and have issued our report thereon dated February 15, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Springfield Board of Education, County of Union, State of New Jersey'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 of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Springfield Board of Education, County of Union, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Springfield Board of Education, County of Union, and State of New Jersey'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 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 purposes 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 Springfield Board of Education, County of Union, State of New Jersey's financial statements are free from material misstatement, we performed tests of it 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*.

### **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.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 15, 2023

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1958-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND**  
**NEW JERSEY OMB'S CIRCULAR 15-08**

K-2

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

**Report on Compliance for Each Major Federal & State Program**

**Opinion on Each Major Federal & State Program**

We have audited the Township of Springfield School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Springfield School District's major federal and state programs for the year ended June 30, 2022. The Township of Springfield School District'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.

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, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township of Springfield School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 with the requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to its Federal and State programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Township of Springfield School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township of Springfield School District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township of Springfield School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township of Springfield School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township of Springfield School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

**Report on 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

February 15, 2023

SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Schedule A  
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Table with columns: Federal Grantor/Pass-Through Grantor/Project Title, Federal CFDA Number, Federal Fain Number, Grant or State Project Number, Program or Award Amount, Grant Period (From, To), Balance at June 30, 2021, Carryover (Walkover) Amount, Cash Received, Budgetary Expenditures, Adjustments, Balance at June 30, 2022 (Accounts Receivable, Deferred Revenue, Due to Grantor). Rows include Medicaid Assistance Program, U.S. Department of Agriculture programs, U.S. Department of Education programs, and Total Federal Financial Assistance.

See Accompanying Notes to Schedules of Financial Assistance.

SPRINGFIELD SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Cash Received	Budgetary Expenditures Pass Through Funds	Repayment of Prior Year Balances	Balance at June 30, 2022			MEMO	
			From	To	Deferred Income (Accts Receivable)	Due To Grantor	Carryover (Walkover) Amount				Intergovernmental (Accounts Receivable)	Deferred Revenue Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Education Aid	22-495-034-5120-089	\$ 1,499,443	7/1/2021	6/30/2022	\$ -			1,355,699	(1,499,443)					(143,744)	1,499,443
School Choice	22-495-034-5120-068	444,600	7/1/2021	6/30/2022				401,978	(444,600)					(42,622)	444,600
Security Aid	22-495-034-5120-084	211,617	7/1/2021	6/30/2022				191,338	(211,617)					(20,279)	211,617
Transportation Aid	22-495-034-5120-014	408,453	7/1/2021	6/30/2022				369,297	(408,453)					(39,156)	408,453
Extraordinary Aid	21-495-034-5120-044	404,882	7/1/2020	6/30/2021	(404,882)			404,882							
Extraordinary Aid	22-495-034-5120-044	690,640	7/1/2021	6/30/2022					(690,640)		(690,640)				690,640
Non-Public Transportation	21-100-034-5120-068	61,770	7/1/2020	6/30/2021	(61,770)			61,770							
Non-Public Transportation	22-100-034-5120-068	70,180	7/1/2021	6/30/2022					(70,180)		(70,180)				70,180
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	22-495-034-5094-001	1,381,042	7/1/2021	6/30/2022				1,381,042	(1,381,042)						1,381,042
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	22-495-034-5094-002	5,910,973	7/1/2021	6/30/2022				5,910,973	(5,910,973)						5,910,973
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	22-495-034-5094-004	2,215	7/1/2021	6/30/2022				2,215	(2,215)						2,215
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	21-100-034-5095-003	1,177,987	7/1/2020	6/30/2021	(58,329)			58,329							
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	22-100-034-5095-003	1,222,461	7/1/2021	6/30/2022				1,162,287	(1,222,461)		(60,174)				1,222,461
					(524,981)	-	-	11,299,810	(11,841,624)	-	(820,994)	-	-	(245,801)	11,841,624
State Department of Agriculture: National School Lunch Program (State Share)	22-100-010-3350-023	23,253	7/1/2021	6/30/2022				21,714	(23,253)						
National School Lunch Program (State Share)	21-100-010-3350-023	13,762	7/1/2020	6/30/2021	(1,663)			1,663							
					(1,663)	-	-	23,377	(23,253)	-	-	-	-	-	-
<b>Total State Financial Assistance</b>					\$ (526,644)	-	-	11,323,187	(11,864,877)	-	(820,994)	-	-	(245,801)	11,841,624
Less On Behalf Pension System Contributions									(7,294,230)						
<b>Total For State Financial Assistance Major Program Determination</b>									\$ (4,570,647)						

See Accompanying Notes to Schedules of Financial Assistance.



**BOARD OF EDUCATION**

K-5

**SPRINGFIELD SCHOOL DISTRICT****NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2022****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, Springfield School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of expenditures of awards and 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 than recorded in the special revenue fund which are presented using the budgetary basis of accounting. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

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

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

**NOTE 3: Relationship to General Purpose Financial Statements**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 11,841,624		23,253	11,864,877
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(36,446)</u>			<u>(36,446)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 11,805,178</u>		<u>23,253</u>	<u>11,828,431</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$ 14,954	1,736,835	1,159,032	2,910,821
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	(20,365)	_____	(20,365)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 14,954</u>	<u>1,716,470</u>	<u>1,159,032</u>	<u>2,890,456</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: 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 of behalf of the District for the year ended June 30, 2022. 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, 2022.

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

(A) Type of auditor's report issued:

(B) Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes      x   No

2) Were reportable conditions(s) identified that were not considered to be material weaknesses? \_\_\_\_\_ Yes      x   No

(C) Noncompliance material to general purpose financial statements noted? \_\_\_\_\_ Yes      x   No

**Federal Awards Section**

Internal control over compliance

1) Material weakness(es) identified? \_\_\_\_\_ Yes      x   No

2) Reportable conditions(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      x   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 section .510(a) of Circular A-133? \_\_\_\_\_ Yes      x   No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.027  
84.173  
84.027X  
84.173X  
84.425U  
84.425U  
84.425U  
84.425U

IDEA Part B Basis (Special Education Cluster)  
IDEA Preschool (Special Education Cluster)  
ARP IDEA Part B Basic (Special Education Cluster)  
ARP IDEA Preschool (Special Education Cluster)  
ARP ESSER II (American Rescue Plan Cluster)  
ARP ESSER Instruction (American Rescue Plan Cluster)  
ARP ESSER Afterschool (American Rescue Plan Cluster)  
ARP ESSER Homeless (American Rescue Plan Cluster)

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

Auditee qualified as low-risk auditee? \_\_\_\_\_   x   Yes    \_\_\_\_\_ No

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

*Part 1 - Summary of Auditor's Results (Continued)*

**State Awards Section**

- (J) Dollar threshold used to determine Type A programs: \$750,000
- (K) Auditee qualified as low-risk auditee?  Yes  No
- (L) Type of auditor's report on compliance for major programs: Unmodified
- (M) Internal control over compliance:
- (1) Material Weakness(es) identified?  Yes  No
- (2) Were reportable condition(s) identified that were not considered to material weaknesses?  Yes  No
- (N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?  Yes  No
- (O) Identification of major programs:

**GMIS Number(s)**

22-495-034-5120-089

22-495-034-5120-068

22-495-034-5120-084

22-100-034-5095-003

**Name of State Program**

Special Education Aid

School Choice Aid

Security Aid

Reimbursed TPAF Social Security

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

*Part 2 - Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title 2 U.S. Code of Federal Regulations Part 200 and OMB Circular Letter 15-08.

**FEDERAL AWARDS**

Finding: None

Federal program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-6

*Part 3 - Schedule of Federal and State Award Findings and Questioned Costs*

**STATE AWARDS**

Finding: None

State program information: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Recommendation: N/A

Management's response: N/A



**TOWNSHIP OF SPRINGFIELD SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

K-7

**Prior Audit Findings:**

No prior year audit findings.