

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

Jobstown, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**JOBSTOWN, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by**

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT BUSINESS OFFICE**



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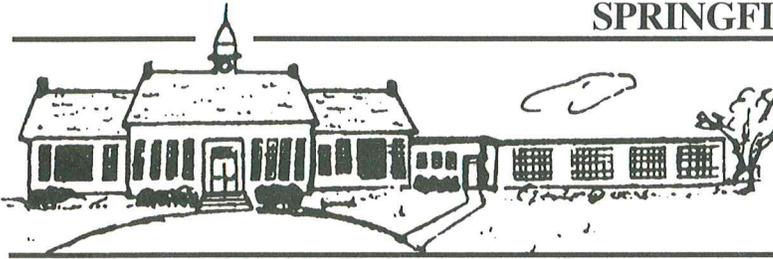
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**INTRODUCTORY SECTION**

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# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT



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

CRAIG VAUGHN SUPERINTENDENT/PRINCIPAL

CHRISTINA MOSKAL BUSINESS ADMINISTRATOR

December 14, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Springfield Township School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## **1. REPORTING ENTITY AND ITS SERVICES:**

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

The Springfield Township School District and its school constitute and School District's reporting entity. The School District provides a full range of educational services appropriate to grade levels K through 6. These include regular education, academic enrichment programs and Special Education instruction and Child Study Team services. Special Education for Preschool handicapped is operated in a consortium of school district programs. The School District completed the 2014-2015 fiscal year with an enrollment of 239 students (June 2015). The following details the changes in the student enrollment of the District over the last ten years.

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

<b>Fiscal Year</b>	<b>Average Daily Enrollment</b>	<b>Percent Change</b>
2014-15	244.7	0.00%
2013-14	244.7	(6.73%)
2012-13	262.3	(8.86%)
2011-12	287.8	(0.55%)
2010-11	289.4	(3.47%)
2009-10	299.8	(2.85%)
2008-09	308.6	.75%
2007-08	306.3	(1.2%)
2006-07	310.1	(0.6%)
2005-06	312.1	(1.2%)
2004-05	316.0	(1.0%)
Total Decrease Over Ten Years		22.56%

**2. ECONOMIC CONDITION AND OUTLOOK:**

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

**3. MAJOR INITIATIVES:**

The development of the 2014-2015 Springfield Township budget in this challenging economic climate has focused on maintaining programs and initiatives funded in previous budgets. Where funding did not allow, modifications were made that retained the spirit of the initiatives through scheduling adjustments, creative use of staffing, and resource conservation.

The District's self-contained class continues to provide a personalized setting where on-site programs can be tailored to children's unique learning needs. Inclusive special education programs, staffed by teachers and support personnel demonstrate the District's commitment to providing a least restrictive environment for special education.

The schedule continues to provide opportunities for articulation among grade-level teachers and SmartBoard technology will continue to be applied as a teaching tool.

Literacy coaching will be provided to teachers this year, as we begin to align the reading and writing curriculum to Common Core Standards. This initiative will be funded through Title I and REAP Grant Funds. In addition, we have aligned our K-5 math curriculum with the Common Core and will begin to use the Envision Math Program as a resource.

Our administrators and teachers are being trained in the Danielson Teacher Evaluation System. Staff is also being trained to utilize an electronic grade book and attendance program through Genesis.

The talents of the Springfield Township staff will be called upon to maintain and inspire continued professional growth, especially as the District seeks to redefine its administrative structure. This will be an important focus in the preparation of the upcoming budget.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

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

#### **5. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are canceled or are included as reappropriations of fund balance in the subsequent year. Amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

#### **6. ACCOUNTING SYSTEM AND REPORTS:**

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

#### **7. CASH MANAGEMENT:**

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

institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8. RISK MANAGEMENT:**

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

**9. OTHER INFORMATION:**

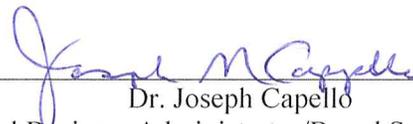
a. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison P.C., was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. This auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit sections of this report.

**10. ACKNOWLEDGEMENTS:**

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

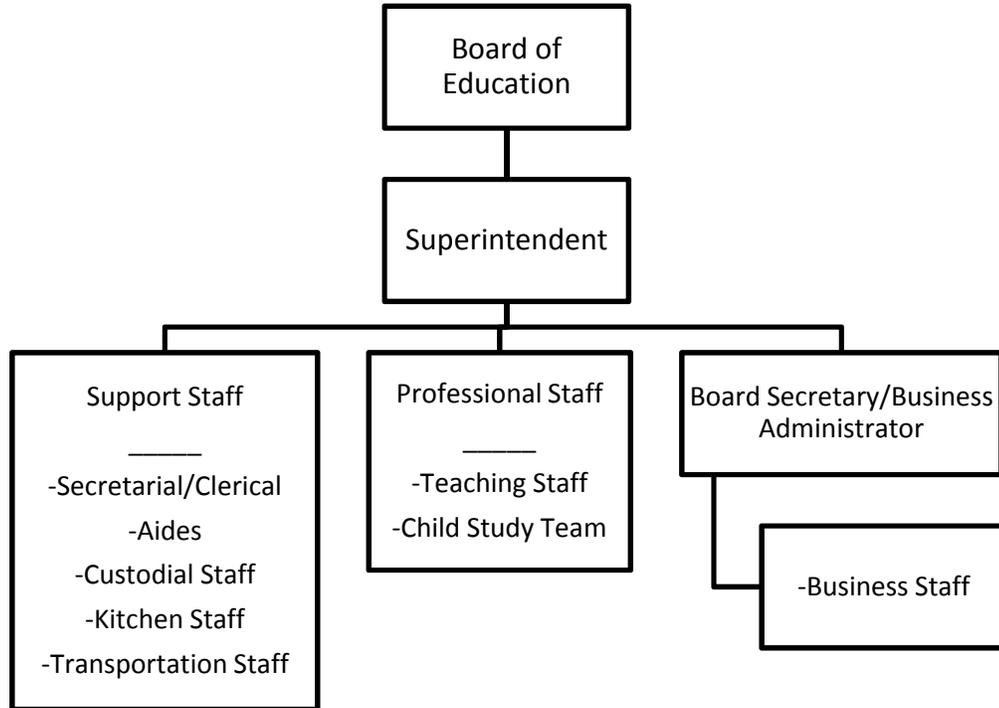


Craig Vaughn  
Superintendent



Dr. Joseph Capello  
School Business Administrator/Board Secretary

Springfield Township School District  
Organizational Chart  
(Unit Control)



**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Andrew B. Eaton, President	2016
Gregory Madia, Vice President	2017
Christopher Corbo	2016
Wade Hall	2018
Joesph M. Bucs	2017
Kristen Lippincott	2018
Dennis Schmieder	2017
Michael Ramalho	2016
James Specca	2015

**OTHER OFFICIALS**

Craig Vaughn, Chief School Administrator

Christina Moskal, Business Administrator/Board Secretary

Amy Lerner, Treasurer of School Monies

Isabel Machado, Esq., Solicitor

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Rodney Haines  
Holman Frenia Allison, P. C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

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

**OFFICIAL DEPOSITORY**

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

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Springfield Township School District, County of Burlington, State of New Jersey, as of June 30, 2015, 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.

## **Emphasis of Matter**

### ***Adoption of New Accounting Pronouncement***

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springfield Township School District's basic financial statements. The accompanying introductory section, comparative totals for June 30, 2014, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of State Financial Assistance are presented for purposes of additional analysis as required by New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015 on our consideration of the Springfield Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Springfield Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Public School Accountant  
Certified Public Accountant  
No. 2198

Medford, New Jersey  
December 14, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**Springfield Township School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015**

As management of the Board of Education of the Springfield Township, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

As described in Note 1 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2015 in the amount of \$(1,113,091), as indicated in Note 20 to the financial statements. Prior year balances reflected in MD&A have not been updated to reflect this change.

**Financial Highlights**

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$1,180,089(*net position*).
- Governmental activities have unrestricted net position of \$(1,082,174). The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable and the June state aid payments, and state statues that prohibit school districts from maintaining more than two percent (2%) of the adopted budget as unrestricted fund balance are primarily responsible for this minimum balance.
- The total net position of the School District increased by \$26,015, or a 2.25% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds decreased by \$129,227 resulting in an ending fund balance of \$573,220. This was a result of the School District providing for various capital improvements.
- Business-type activities have unrestricted net position of \$4,331 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (Food Services Program).
- The School District's long-term obligations increased by \$1,002,529 which is the result of the District's Net Pension Liability being reported on the Government-Wide Financial Statements as required by GASB 68.

## Overview of the Basic Financial Statements

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

### District-wide Financial Statements

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

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

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

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

### Fund Financial Statements

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

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

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

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

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

*Proprietary funds* are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

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

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

### **Notes to the Basic Financial Statements**

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

### **Other Information**

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

### **District-wide Financial Analysis**

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2015. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2015.

The assets of the primary governmental activities exceeded liabilities by \$1,180,089 with an unrestricted balance of \$(1,082,174). As mentioned earlier, unrestricted net position are low primarily due to the accounting treatment for compensated absences payable, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than two percent (2%) of the adopted budget as unrestricted fund balance. The net position of the primary government does not include internal balances.

A net investment of \$1,820,267 in land, improvements, buildings and equipment which provide the services to the School District's students, represents the majority of the School District's net position. Net position of \$441,996 has been restricted as follows:

Restricted for Future Budget Appropriations	\$ 83,047
Restricted for Encumbrances	253,050
Restricted for Future Maintenance Costs	26,800
Restricted for Future Capital Projects	65,660
Restricted for Capital Projects	(78,735)
Restricted for Subsequent Year's Budget	92,174
<b>Total</b>	<b><u>\$ 441,996</u></b>

**Comparative Summary of Net Position as of June 30, 2015 and 2014**  
Springfield Township School District's Net Position

	2015		2014		Total 2015	Total 2014
	Governmental	Business- Type	Governmental	Business- Type		
<b>Assets</b>						
Current and Other Assets	573,220	12,350	707,250	18,707	585,570	725,957
Capital Assets	1,820,267		1,696,128		1,820,267	1,696,128
<b>Total Assets</b>	<b>2,393,487</b>	<b>12,350</b>	<b>2,403,378</b>	<b>18,707</b>	<b>2,405,837</b>	<b>2,422,085</b>
<b>Deferred Outflow of Resources</b>						
Deferred Outflows Related to Pensions	83,784	-	-	-	83,784	-
<b>Total Deferred Outflow of Resources</b>	<b>83,784</b>				<b>83,784</b>	
<b>Total Deferred Outflow of Resources and Assets</b>	<b>2,477,271</b>	<b>12,350</b>	<b>2,403,378</b>	<b>18,707</b>	<b>2,489,621</b>	<b>2,422,085</b>
<b>Liabilities</b>						
Current Liabilities	52,516	8,019	4,803	8,764	60,535	13,567
Noncurrent Liabilities	1,102,577		131,410		1,102,577	131,410
<b>Total Liabilities</b>	<b>1,155,093</b>	<b>8,019</b>	<b>136,213</b>	<b>8,764</b>	<b>1,163,112</b>	<b>144,977</b>
<b>Deferred Inflow of Resources</b>						
Deferred Inflows Related to Pensions	142,089	-	-	-	142,089	-
<b>Total Deferred Inflow of Resources</b>	<b>142,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,089</b>	<b>-</b>
<b>Total Deferred Inflow of Resources and Liabilities</b>	<b>1,297,182</b>	<b>8,019</b>	<b>136,213</b>	<b>8,764</b>	<b>1,305,201</b>	<b>144,977</b>
<b>Net Position</b>						
Net Investment in Capital Assets	1,820,267	-	1,696,128	-	1,820,267	1,696,128
Restricted	441,996	-	570,503	8,182	441,996	578,685
Unrestricted	(1,082,174)	4,331	534	1,761	(1,077,843)	2,295
<b>Total Net Position</b>	<b>1,180,089</b>	<b>4,331</b>	<b>2,267,165</b>	<b>9,943</b>	<b>1,184,420</b>	<b>2,277,108</b>

## Governmental Activities

Governmental activities increased the net position of the School District by \$26,015 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- Revenues increased \$51,432 due to a 2% increase in Local Tax Levy revenues compared to the prior year.
- Total budget expenditures increased \$876,105 or 18,52% in fiscal year 2013-2014 when compared to fiscal year 2012-2013. The increase in expenditures can be attributed to roof and gym repairs that were done during the year and an increase in salaries and health benefits costs.

## Business-Type Activities

- Business-Type activities decreased the School District's net position by \$7,243. This is the result of the loss in the food service program.

### Comparative Schedule of Changes in Net Position as of and for the Fiscal Year Ended June 30, 2015 and 2014

Table 2

	Governmental	Business-type	Governmental	Business-type	Total 2015	Total 2014
	Activities		Activities			
	2015	2015	2014	2014		
Revenues						
Program Revenues:						
Charges for Services		59,042		61,914	59,042	61,914
Operating Grants & Contributions	1,082,973	33,712	128,055	32,324	1,116,685	160,379
General Revenues:						
Property Taxes	3,450,249		3,382,597		3,450,249	3,382,597
Grants and Entitlements	1,268,361		1,595,786		1,268,361	1,595,786
Other	31,484	7	20,755	14	31,491	20,769
Total Revenues	5,833,067	92,761	5,127,193	94,252	5,925,828	5,221,445
Program Expenses:						
Instruction	2,956,642		2,135,524		2,956,642	2,135,524
Support Services:						
Tuition	96		96,541		96	96,541
Student & instructional related	762,829		620,787		762,829	620,787
School administrative services	64,252		54,683		64,252	54,683
General administration	247,127		209,148		247,127	209,148
Central services	144,495		137,429		144,495	137,429
Plant operations & maintenance	466,735		373,720		466,735	373,720
Pupil transportation	179,824		213,925		179,824	213,925
Employee benefits	915,890		1,300,987		915,890	1,300,987
Unallocated depreciation	69,162		168,860		69,162	168,860
Food service		98,373		101,495	98,373	101,495
Total expenses	5,807,052	98,373	5,311,604	101,495	5,905,425	5,413,099
Increase (Decrease) in Net Position	26,015	(5,612)	(184,411)	(7,243)	20,403	(191,654)

## Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$573,220, a decrease of \$(129,227) in comparison with the prior year. The unassigned fund balance for the School District at the end of the fiscal year represents the unassigned fund balance for the General Fund of \$131,224. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed: (1) restricted cash reserved for future capital outlay expenditures \$65,660; (2) appropriated as a revenue source in the subsequent year’s budget \$92,174; (3) restricted for future maintenance projects \$26,800; (4) assigned for other purposes \$253,050; or (5) restricted for excess surplus \$107,372.

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

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

### Capital Asset and Debt Administration

The School District’s investment in capital assets for its governmental and business-type activities as of June 30, 2015, totaled \$1,820,267 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total increase in the District’s investment in capital assets for the current fiscal year was \$124,139.

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

- Depreciation expense for the current fiscal year was \$76,082.
- Capital Asset additions of \$200,221

	Governmental Funds		Business-type	
	2015	2014	2015	2014
Land	90,889	90,889		
Construction in progress	131,225	-		
Site Improvements	182,339	182,339		
Building and Building Improvements	2,812,737	2,812,737		
Vehicles	48,292	48,292		
Machinery and Equipment	384,888	336,562	43,200	49,600
Less: Accumulated Depreciation	(1,830,103)	(1,774,691)	(43,200)	(49,600)
	<u>1,820,267</u>	<u>1,696,128</u>	<u>-</u>	<u>-</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Long-term debt** – During the fiscal year ended June 30, 2015, the School District has no bonded debt outstanding. The District does have \$4,104,000 of bonds authorized but not issued as of June 30, 2015.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$7,930,147 and the legal debt margin was \$7,930,147.

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

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

The following factors were considered and incorporated into the preparation of the School District's budget for the 2014-2015 fiscal year:

- The overall budget is \$496,704 less than FY2013-2014 due to a decrease in the capital outlay budget of \$540,619.
- In order to minimize expenditures, the District participates in multiple cost-saving shared service agreements.
- The Springfield Township School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

### **Request for Information**

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

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2015
Cash & Cash Equivalents	\$ 381,474	\$ 4,758	\$ 386,232
Accounts Receivable:			
Federal	37,112	1,963	39,075
State	62,174	102	62,276
Inventory	-	5,527	5,527
Capital Assets, Non-Depreciable (Note 7)	222,114	-	222,114
Capital Assets, Depreciable, Net (Note 7)	1,598,153	-	1,598,153
Restricted Cash	92,460	-	92,460
<b>Total Assets</b>	<b>2,393,487</b>	<b>12,350</b>	<b>2,405,837</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	83,784	-	83,784
<b>Total Deferred Outflows of Resources</b>	<b>83,784</b>	<b>-</b>	<b>83,784</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>2,477,271</b>	<b>12,350</b>	<b>2,489,621</b>
<b>LIABILITIES</b>			
Accounts Payable	-	8,019	8,019
PERS Pension Payable	52,516	-	52,516
Noncurrent Liabilities (Note 6) - Due Beyond One Year	1,102,577	-	1,102,577
<b>Total Liabilities</b>	<b>1,155,093</b>	<b>8,019</b>	<b>1,163,112</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension	142,089	-	142,089
<b>Total Deferred Inflows of Resources</b>	<b>142,089</b>	<b>-</b>	<b>142,089</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,297,182</b>	<b>8,019</b>	<b>1,305,201</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,820,267	-	1,820,267
Restricted For:			
Capital Projects	(78,735)	-	(78,735)
Other Purposes	520,731	-	520,731
Unrestricted	(1,082,174)	4,331	(1,077,843)
<b>Total Net Position</b>	<b>\$ 1,180,089</b>	<b>\$ 4,331</b>	<b>\$ 1,184,420</b>

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

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGED IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015	
Governmental Activities							
Instruction:							
Regular	\$ 2,504,017	\$ -	\$ -	\$ (2,504,017)	\$ -	\$ -	(2,504,017)
Special Education	313,019	-	-	(313,019)	-	-	(313,019)
Other Instruction	139,606	-	-	(139,606)	-	-	(139,606)
Support Services:							
Tuition	96	-	-	(96)	-	-	(96)
Student & Instruction Related Services	762,829	-	135,980	(626,849)	-	-	(626,849)
General Administrative Services	247,127	-	-	(247,127)	-	-	(247,127)
School Administrative Services	64,252	-	-	(64,252)	-	-	(64,252)
Central Services	144,495	-	-	(144,495)	-	-	(144,495)
Plant Operations and Maintenance	466,735	-	-	(466,735)	-	-	(466,735)
Pupil Transportation	179,824	-	-	(179,824)	-	-	(179,824)
Unallocated Employee Benefits	915,890	-	946,993	31,103	-	-	31,103
Unallocated Depreciation	69,162	-	-	(69,162)	-	-	(69,162)
Total Governmental Activities:	5,807,052	-	1,082,973	(4,724,079)	-	-	(4,724,079)
Business-Type Activities							
Food Service	98,373	59,042	33,712	-	(5,619)	(5,619)	(5,619)
Total Business-Type Activities:	98,373	59,042	33,712	-	(5,619)	(5,619)	(5,619)
Total Primary Government:	\$ 5,905,425	\$ 59,042	\$ 1,116,685	(4,724,079)	(5,619)	(5,619)	(4,729,698)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Ne				3,450,249	-	-	3,450,249
Federal & State Aid Unrestricted				1,268,361	-	-	1,268,361
Investment Earnings				40	7	7	47
Miscellaneous Income				31,444	-	-	31,444
Total General Revenues, Special Items, Extraordinary Items & Transfer				4,750,094	7	7	4,750,101
Change In Net Position				26,015	(5,612)	(5,612)	20,403
Net Position - Beginning, As restated, See Note 2C				1,154,074	9,943	9,943	1,164,017
Net Position - Ending				\$ 1,180,089	\$ 4,331	\$ 4,331	\$ 1,184,420

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

## B. Fund Financial Statements

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## Governmental Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTALS
				JUNE 30, 2015
Cash & Cash Equivalents	\$ 336,685	\$ -	\$ 81,901	\$ 418,586
Accounts Receivable:				
Federal	-	37,112	-	37,112
State	9,684	-	52,490	62,174
Interfunds	213,126	-	-	213,126
Restricted Cash	92,460	-	-	92,460
<b>Total Assets</b>	<b>\$ 651,955</b>	<b>\$ 37,112</b>	<b>\$ 134,391</b>	<b>\$ 823,458</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Cash Deficit	\$ -	\$ 37,112	\$ -	\$ 37,112
Interfunds	-	-	213,126	213,126
<b>Total Liabilities</b>	<b>-</b>	<b>37,112</b>	<b>213,126</b>	<b>250,238</b>
Fund Balances:				
Restricted:				
Excess Surplus	83,047	-	-	83,047
Excess Surplus Designated for Subsequent Year Expenditures	92,174	-	-	92,174
Capital Reserve	65,660	-	-	65,660
Maintenance Reserve	26,800	-	-	26,800
Capital Projects	-	-	(78,735)	(78,735)
Assigned to:				
Other Purposes	253,050	-	-	253,050
Unassigned:				
General Fund	131,224	-	-	131,224
<b>Total Fund Balances</b>	<b>651,955</b>	<b>-</b>	<b>(78,735)</b>	<b>573,220</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 651,955</b>	<b>\$ 37,112</b>	<b>\$ 134,391</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,650,370 and the accumulated depreciation is \$1,830,103.	1,820,267
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	(58,305)
PERS pension payable are not recorded in the fund Financial Statements due to the fact that the payables are not due in the period.	(52,516)
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.	(1,102,577)
<b>Net position of Governmental Activities</b>	<b>\$ 1,180,089</b>

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	<u>TOTALS</u> JUNE 30, 2015
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,450,249	\$ -	\$ -	\$ 3,450,249
Interest Earned	40	-	-	40
Other Local Revenues/Miscellaneous	31,444	-	-	31,444
Total Local Sources	3,481,733	-	-	3,481,733
State Sources	1,661,206	-	52,490	1,713,696
Federal Sources	-	135,980	-	135,980
Total Revenues	5,142,939	135,980	52,490	5,331,409
Expenditures:				
Current Expense:				
Regular Instruction	2,504,017	-	-	2,504,017
Special Education Instruction	313,019	-	-	313,019
Other Instruction	139,606	-	-	139,606
Support Services & Undistributed Costs:				
Tuition	96	-	-	96
Student & Instruction Related Services	626,849	135,980	-	762,829
General Administrative Services	245,752	-	-	245,752
School Administrative Services	64,252	-	-	64,252
Central Services	144,495	-	-	144,495
Plant Operations & Maintenance	466,735	-	-	466,735
Pupil Transportation	179,824	-	-	179,824
Unallocated Employee Benefits	445,335	-	-	445,335
Capital Outlay	63,451	-	131,225	194,676
Total Expenditures	5,193,431	135,980	131,225	5,460,636
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(50,492)	-	(78,735)	(129,227)
Fund Balances July 1	702,447	-	-	702,447
Fund Balances June 30	\$ 651,955	\$ -	\$ (78,735)	\$ 573,220

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (129,227)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Capital Outlays	\$ 193,301	
Adjustment per Fixed Asset Appraisal	6,920	
Depreciation Expense	<u>(76,082)</u>	124,139

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

PERS District Pension Contribution - 2015	43,783	
Unfunded TPAF Pension Expense	(501,658)	
State Share of Unfunded TPAF Pension Expense	501,658	
Pension Expense	<u>(35,875)</u>	7,908

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

Prior Year	131,410	
Current Year	<u>(108,215)</u>	23,195

Change in Net Position of Governmental Activities \$ 26,015

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## Proprietary Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

ASSETS	FOOD SERVICE	<u>TOTALS</u> JUNE 30, 2015
Current Assets:		
Cash	\$ 4,758	\$ 4,758
Accounts Receivable:		
State	102	102
Federal	1,963	1,963
Inventories	5,527	5,527
Total Current Assets	12,350	12,350
Total Assets	12,350	12,350
LIABILITIES		
Current Liabilities:		
Accounts Payable	8,019	8,019
Total Liabilities	8,019	8,019
NET POSITION		
Restricted	-	-
Unrestricted	4,331	4,331
Total Net Position	\$ 4,331	\$ 4,331

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES  
EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>TOTALS</u>	
	FOOD SERVICE	JUNE 30, 2015
Operating Revenues:		
Local Sources:		
Daily Sales-Reimbursable Programs	\$ 42,099	\$ 42,099
Daily Sales - Nonreimbursable Program	16,943	16,943
	59,042	59,042
Total Operating Revenue		
Operating Expenses:		
Salaries and Fringe Benefits	45,838	45,838
Supplies and Materials	1,475	1,475
Other Costs	1,853	1,853
Management Fee	8,500	8,500
Miscellaneous Expenses	1,667	1,667
Cost of Sales	39,040	39,040
	98,373	98,373
Total Operating Expenses		
Operating Income/(Loss)	(39,331)	(39,331)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	917	917
Federal Sources:		
National School Lunch Program	22,278	22,278
Food Distribution Program	10,517	10,517
Local Sources:		
Interest Earned	7	7
	33,719	33,719
Total Nonoperating Revenue/ (Expenses)		
Change in Net Position	(5,612)	(5,612)
Total Net Position - Beginning	9,943	9,943
Total Net Position - Ending	\$ 4,331	\$ 4,331

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE	<u>TOTALS</u> JUNE 30, 2015
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 57,133	\$ 57,133
Payments to Employees	(45,838)	(45,838)
Payments to Suppliers	(53,280)	(53,280)
	(41,985)	(41,985)
Net Cash Provided/(Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities:		
Cash Received From State & Federal Programs	33,768	33,768
	33,768	33,768
Net Cash Provided by Noncapital Financing Activities		
Cash Flows from Investing Activities:		
Interest on Cash Equivalents	7	7
	7	7
Net Cash Provided by Investing Activities		
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,210)	(8,210)
Balances - Beginning of Year	12,968	12,968
	\$ 4,758	\$ 4,758
Balances - Ending of Year		
	\$ 4,758	\$ 4,758
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (39,331)	\$ (39,331)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:		
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(1,909)	(1,909)
Increase/(Decrease) in Other Payables	(745)	(745)
	(2,654)	(2,654)
Net Cash Provided/(Used) by Operating Activities	\$ (41,985)	\$ (41,985)

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

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Fiduciary Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

	<u>PRIVATE PURPOSE</u>		<u>TOTALS</u>
ASSETS	<u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	AGENCY FUNDS	JUNE 30, 2015
Cash & Cash Equivalents	\$ 37,191	\$ 30,329	\$ 67,520
Total Assets	<u>37,191</u>	<u>30,329</u>	<u>67,520</u>
 <b>LIABILITIES</b>  			
Payroll Deductions & Withholdings	-	3,347	3,347
Due to Employees	-	2,520	2,520
Due to Student Groups	-	24,462	24,462
Total Liabilities	<u>-</u>	<u>30,329</u>	<u>30,329</u>
 <b>NET POSITION</b>  			
Reserved	<u>37,191</u>	-	<u>37,191</u>
Total Net Position	<u>\$ 37,191</u>	<u>\$ -</u>	<u>\$ 37,191</u>

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2015**

	PRIVATE PURPOSE	TOTALS
ADDITIONS	UNEMPLOYMENT COMPENSATION INSURANCE	JUNE 30, 2015
Local Sources:		
Employee Salary Deductions	\$ 2,594	\$ 2,594
Other Sources:		
Interest on Investments	35	35
Total Additions	<u>2,629</u>	<u>2,629</u>
DEDUCTIONS		
Unemployment Compensation		
Insurance Claims	71	71
Total Deductions	<u>71</u>	<u>71</u>
Change in Net Position	2,558	2,558
Net Position - Beginning of the Year	<u>34,633</u>	<u>34,633</u>
Net Position - End of the Year	<u>\$ 37,191</u>	<u>\$ 37,191</u>

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies

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

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

### Reporting Entity

The Springfield Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The operations of the District includes one elementary school located in Springfield Township. Students in grades 7 through 12 attend the Northern Burlington County Regional High School District, as a taxpaying resident. The Springfield Township School District has an approximate enrollment at June 30, 2015 of 239 Students.

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

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

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

### Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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

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

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

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

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

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

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Proprietary Fund Financial Statements**

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

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

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

**Fiduciary Fund Financial Statements**

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

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

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

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

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

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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

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

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

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District maintains a Transportation Consortium in the Internal Service Funds.

The District reports the following major governmental funds:

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

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

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

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

The District reports the following major proprietary fund:

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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

financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

### **Budgets/Budgetary Control**

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

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

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

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

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

### **Encumbrances**

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**Short-Term Interfund Receivables/Payables**

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

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

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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

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

#### Use of Estimates

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

#### Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

# SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

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

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

#### **Net Position**

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

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

#### **Impact of Recently Issued Accounting Principles**

##### Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

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

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of November 24, 2015, which is the date the financial statements were available to be issued.

**Pensions Section**

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

**Note 2. Cash and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$1,009,905 was exposed to custodial credit risk as follows:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 2. Cash and Investments (continued):**

Insured Under FDIC	\$	314,714
Collateralized by securities held by		
Pledging financial institution		580,910
Uninsured and uncollateralized		<u>114,281</u>
 Total	 \$	 <u>1,009,905</u>

**Investments**

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

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

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

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

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

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

As of June 30, 2015, the District had no investments.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The balance of the capital reserve account at June 30, 2015 is \$65,660.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 40,620
Interest Earnings	40
June Transfer per Resolution	<u>25,000</u>
Ending Balance, June 30, 2015	<u><u>\$ 65,660</u></u>

**B. Maintenance Reserve**

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

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

The activity of the maintenance reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 26,800
Transfer from Surplus	<u>-</u>
Ending Balance, June 30, 2015	<u><u>\$ 26,800</u></u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Proprietary Funds</b>	<b>Total</b>
State Aid	\$ 9,684	\$ -	\$ 102	\$ 9,786
Federal Aid	-	37,112	1,963	39,075
	<hr/>			
Total	<u>\$ 9,684</u>	<u>\$ 37,112</u>	<u>\$ 2,065</u>	<u>\$ 48,861</u>

**Note 5. Inventory**

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$5,044
Supplies	<u>483</u>
Total	<u>\$5,527</u>

**Note 6. Long-Term Obligations**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	<b>June 30, 2014</b>	<b>Accrued/ Increases</b>	<b>Retired/ Decreases</b>	<b>June 30, 2015</b>
<b>Governmental Activities:</b>				
Compensated Absences	\$ 131,410	\$ 8,268	\$ (31,463)	\$ 108,215
Net Pension Liability	1,113,091	-	(118,729)	994,362
	<hr/>			
Total	<u>\$ 1,244,501</u>	<u>\$ 8,268</u>	<u>\$ (150,192)</u>	<u>\$ 1,102,577</u>

As of June 30, 2015 the School District had \$4,104,000 of bonds authorized but not issued.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 7. Capital Assets**

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2015

	June 30, 2014	Additions	Deletions	Transfers/ Adjustments	June 30, 2015
<b>Governmental Activities:</b>					
Capital assets that are not being depreciated:					
Land	\$ 90,889	\$ -	\$ -	\$ -	\$ 90,889
Construction in Progress	-	131,225	-	-	131,225
<hr/>					
Total capital assets not being depreciated	90,889	131,225	-	-	222,114
<hr/>					
Land improvements	182,339	-	-	-	182,339
Buildings and improvements	2,812,737	-	-	-	2,812,737
Machinery and equipment	384,854	62,076	-	(13,750)	433,180
<hr/>					
Subtotal	3,379,930	62,076	-	(13,750)	3,428,256
Less: accumulated depreciation:					
Land improvements	(133,606)	(4,103)	-	-	(137,709)
Buildings and improvements	(1,344,485)	(57,392)	-	-	(1,401,877)
Machinery and equipment	(296,600)	(14,587)	-	20,670	(290,517)
<hr/>					
Total accumulated depreciation	(1,774,691)	(76,082)	-	20,670	(1,830,103)
<hr/>					
Total capital assets being depreciated, net	1,605,239	(14,006)	-	6,920	1,598,153
<hr/>					
Governmental activities capital assets, net	\$ 1,696,128	\$ 117,219	\$ -	\$ 6,920	\$ 1,820,267
<hr/>					

The following schedule is a summary of the proprietary fund type fixed assets at June 30, 2015:

	June 30, 2014	Additions	Transfers/ Adjustments	June 30, 2015
<b>Business-Type Activities:</b>				
Capital assets being depreciated:				
Machinery & Equipment	\$ 49,600	\$ -	\$ (6,400)	\$ 43,200
Less: accumulated depreciation:				
Equipment	(49,600)	-	6,400	(43,200)
<hr/>				
Business-type activities capital assets, net	\$ -	\$ -	\$ -	\$ -
<hr/>				

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**Note 8: Pension Obligations**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating

employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

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

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2015	\$ 43,783	100%	\$ 994,362
6/30/2014	44,590	100%	1,113,091
6/30/2013	46,870	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$994,362 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .00531%, which was an decrease of .00051% from its proportion measured as of June 30, 2013.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarial valuation date	July 1, 2014	July 1, 2013
Deferred Outflows of Resources	\$ 83,784	\$ 43,783
Deferred Inflows of Resources	\$ 142,089	\$ -
Net Pension Liability	\$ 994,362	\$ 1,113,091
District's portion of the Plan's total net pension Liability	0.00531%	0.00582%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$36,604. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 31,268	\$ -
Net difference between projected and actual earnings on pension plan investments	-	59,259
Changes in proportion and differences between District contributions and proportionate share of contributions	-	82,830
District contributions subsequent to the measurement date	52,516	-
Total	<u>\$ 83,784</u>	<u>\$ 142,089</u>

The \$52,516 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

<u>Year Ended June 30:</u>	<u>PERS</u>
2016	\$ (19,858)
2017	(19,858)
2018	(19,858)
2019	(19,858)
2020	(19,858)
Thereafter	(11,529)

**Actuarial Assumptions** - The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments 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.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
<b>Total</b>	<b>100%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the 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, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

	1% <u>Decrease</u> (4.39%)	Current <u>Discount</u> Rate (5.39%)	1% <u>Increase</u> (6.39%)
District's proportionate share of the net pension liability	1,250,941	994,362	778,901

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

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

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

The following represents the membership tiers for TPAF:

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

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

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

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

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

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2015	\$ 296,560	100%	-
6/30/2014	239,284	100%	-
6/30/2013	244,290	100%	-

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments 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, 2014 are summarized in the following table:

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

**Discount rate** - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 9. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits in funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**Note 10. Interfund Receivables, Payables and Transfers**

The following interfund balances remained on the balance sheet at June 30, 2015:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 213,126	\$ -
Capital Projects Fund	<u>-</u>	<u>213,126</u>
	<u><u>\$ 213,126</u></u>	<u><u>\$ 213,126</u></u>

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

The summary of interfund transfers follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ -	\$ 213,126
Capital Projects Fund	<u>213,126</u>	<u>-</u>
	<u><u>\$ 213,126</u></u>	<u><u>\$ 213,126</u></u>

The purpose of interfund transfers were for the local share of new capital projects that were approved during the 2014-15 school year.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 11. Risk Management**

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

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

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

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

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

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

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2014-2015	\$ 35	\$ 2,594	\$ 71	\$ 37,191
2013-2014	34	3,874	4,399	34,633
2012-2013	34	9,475	2,843	35,124

**Note 12. Litigation**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

There is no pending litigation involving any material monetary amount.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

#### **Note 13. Economic Dependency**

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

#### **Note 14. Deferred Compensation**

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

#### **Note 15. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$108,215.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

#### **Note 16. Fund Balance Disclosures**

**General Fund (Exhibit B-1)** – Of the \$651,955 General Fund fund balance at June 30, 2015, \$92,174 is restricted for excess surplus designated for subsequent years expenditures; \$65,660 is restricted to establish the Capital Reserve Account; \$26,800 is restricted to establish the Maintenance Reserve Account; \$83,047 is restricted for excess surplus in accordance with *N.J.S.A.18A:7F-7*; \$253,050 is assigned for Other Purposes and \$131,224 is unassigned.

## SPRINGFIELD TOWNSHIP SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

#### **Note 16. Fund Balance Disclosures (continued):**

**Capital Projects Fund (Exhibit B-1)** – The fund balance of \$(78,735) has been restricted for the Capital Projects Fund.

#### **Note 17. Calculation of Excess Surplus**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$83,047.

#### **Note 18. Deficit Fund Balances**

The District has an accumulated deficit of \$(78,735) in the Capital Projects Fund as of June 30, 2015. This deficit is a result of the School District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

#### **Note 19. Deficit Unrestricted Net Position**

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(1,082,172) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Note 20. Change in Accounting Principle**

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$2,267,165
Prior period adjustment -	
Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(1,113,091)
Deferred Outflows – district contributions made during fiscal year 2014	43,783
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(43,783)</u>
Total prior period adjustment	<u>(1,113,091)</u>
Net Position as restated, July 1, 2014.	<u>\$ 1,154,074</u>

**Note 21. Subsequent Events**

**Bond Issue:**

On July 15, 2015 the School District issued \$4,104,000 in General Obligation Bonds with interest rates ranging from 3.00% to 4.00%. The bond proceeds are being used to finance improvements and renovations to the Springfield Township Elementary School. The total cost of the project is \$6,365,281. The project will be funded in part with grants from the State of New Jersey, in the principal amount of \$2,261,112. The balance will be funded through the issuance of the Bonds and the remaining \$169 will be made available through other funds of the Board of Education.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,450,249	\$ -	\$ 3,450,249	\$ -
Interest Earned on Capital Reserve Funds	750	-	750	40
Other Local Revenue/Miscellaneous	1,000	-	1,000	31,444
Total Local Sources	3,451,999	-	3,451,999	29,734
State Sources:				
Categorical Special Education Aid	159,516	-	159,516	-
Equalization Aid	763,643	-	763,643	-
Categorical Security Aid	22,191	-	22,191	-
Adjustment Aid	100,078	-	100,078	-
Categorical Transportation Aid	139,769	-	139,769	-
Additional Adjustment Aid	23,512	-	23,512	-
PARCC Readiness Aid	2,420	-	2,420	-
Per Pupil Growth Aid	2,420	-	2,420	-
Nonpublic Transportation Aid	-	-	-	2,436
On-behalf of TPAF Pension Contributions	-	-	-	114,613
On-behalf of TPAF Post-Retirement	-	-	-	-
Medical Contributions	-	-	-	181,947
Reimbursed TPAF Social Security Contributions	-	-	-	148,775
Total State Sources	1,213,549	-	1,213,549	447,771
Total Revenues	4,665,548	-	4,665,548	477,505

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	11-105-100-101	-	48,096	48,096	-
Kindergarten	11-110-100-101	145,131	(4,338)	140,793	-
Grades 1 - 5	11-120-100-101	908,157	65,500	973,657	122,720
Grades 6 - 8	11-130-100-101	186,254	6,256	192,510	-
Home Instruction - Regular Programs:					
Salaries of Teachers	11-150-100-101	1,250	(1,250)	-	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	206,149	(6,135)	200,014	-
Purchased Professional -					
Educational Services	11-190-100-320	6,283	(1,094)	5,189	-
Purchased Technical Services	11-190-100-340	11,991	297	12,288	-
Other Purchased Services	11-190-100-500	200	50	250	-
General Supplies	11-190-100-610	87,213	181,256	268,469	80,577
Other Objects	11-190-100-890	1,450	(781)	669	61
Total Regular Programs - Instruction		1,554,078	287,857	1,841,935	203,358
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	11-212-100-101	66,896	(2,661)	64,235	-
Other Salaries for Instruction	11-212-100-106	21,703	(425)	21,278	-
Total Multiple Disabilities		88,599	(3,086)	85,513	-

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	BUDGET	TRANSFERS	JUNE 30, 2015 BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) ACTUAL
Resource Room/Resource Center						
Salaries of Teachers	11-213-100-101	138,192	(19,982)	118,210	118,210	-
Other Salaries for Instruction	11-213-100-106	87,522	21,657	109,179	109,142	37
Other Purchased Services (400-500)	11-213-100-500	2,500	(2,500)	-	-	-
General Supplies	11-213-100-610	500	(344)	156	154	2
<b>Total Resource Room/Resource Center</b>		<b>228,714</b>	<b>(1,169)</b>	<b>227,545</b>	<b>227,506</b>	<b>39</b>
Home Instruction:						
Salaries of Teachers	11-219-100-101	1,250	(1,250)	-	-	-
<b>Total Home Instruction</b>		<b>1,250</b>	<b>(1,250)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Special Education</b>		<b>318,563</b>	<b>(5,505)</b>	<b>313,058</b>	<b>313,019</b>	<b>39</b>
Basic Skills/Remedial						
Salaries of Teachers	11-230-100-101	131,869	(7,882)	123,987	123,987	-
Other Purchase Services (400-500)	11-230-100-500	3,000	(3,000)	-	-	-
General Supplies	11-230-100-610	4,860	16,557	21,417	15,619	5,798
Textbooks	11-230-100-640	500	(500)	-	-	-
Other Objects	11-230-100-800	500	(500)	-	-	-
<b>Total Basic Skills/Remedial</b>		<b>140,729</b>	<b>4,675</b>	<b>145,404</b>	<b>139,606</b>	<b>5,798</b>
<b>Total Instruction</b>		<b>2,013,370</b>	<b>287,027</b>	<b>2,300,397</b>	<b>2,091,202</b>	<b>209,195</b>
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within State - Special	11-000-100-562	120,942	(120,942)	-	-	-
Tuition to Private Schools for the Disabled - Within State	11-000-100-566	45,999	(26,914)	19,085	96	18,989
<b>Total Instruction</b>		<b>166,941</b>	<b>(147,856)</b>	<b>19,085</b>	<b>96</b>	<b>18,989</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO FINAL TO ACTUAL
		ORIGINAL BUDGET	FINAL BUDGET	
Attendance & Social Work Services:				
Salaries	11-000-211-100	64,120	62,105	-
Other Purchased Services	11-000-211-500	6,655	6,527	-
Total Attendance & Social Work Services		70,775	68,632	-
Health Services:				
Salaries	11-000-213-100	61,657	59,972	-
Purchased Professional & Technical Services	11-000-213-300	1,824	1,824	-
Supplies and Materials	11-000-213-600	1,835	7,008	3,468
Total Health Services		65,316	68,804	3,468
Speech, OT, PT & Related Services:				
Salaries	11-000-216-100	58,555	56,671	-
Purchased Professional/Educational Services	11-000-216-320	60,000	17,297	-
Total Speech, OT, PT & Related Services		118,555	73,968	-
Guidance:				
Salaries of Other Professional Staff	11-000-218-104	35,560	33,545	-
Total Guidance		35,560	33,545	-
Child Study Teams:				
Salaries of Secretarial & Clerical Assistants	11-000-219-105	33,048	33,048	-
Purchased Professional & Technical Services	11-000-219-390	47,500	21,830	-
Miscellaneous Purchased Services	11-000-219-592	150	1,000	-
Supplies & Materials	11-000-219-600	5,329	8,382	-
Other Objects	11-000-219-800	334	476	110
Total Child Study Team		86,361	64,736	110

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Improvement of Instruction:					
Salary of Supervisor of Instruction	11-000-221-102	95,549	(513)	95,036	-
Supplies and Materials	11-000-221-600	820	5,244	6,064	2,072
Total Improvement of Instruction		96,369	4,731	101,100	2,072
Educational Media Services/School Library:					
Salaries	11-000-222-100	73,757	(14,940)	58,817	-
Purchased Professional & Technical Services	11-000-222-300	70,799	(10,805)	59,994	-
Supplies and Materials	11-000-222-600	13,032	81,948	94,980	6,732
Other Objects	11-000-222-800	50	(50)	-	-
Total Educational Media Services/School Library		157,638	56,153	213,791	6,732
Instructional Staff Training:					
Other Purchased Services	11-000-223-500	24,551	(4,778)	19,773	5,228
Total Instructional Staff Training		24,551	(4,778)	19,773	5,228
Support Services General Administration:					
Salaries	11-000-230-100	144,767	(8,656)	136,111	-
Group Insurance	11-000-230-210	100	(36)	64	-
Social Security Contributions	11-000-230-220	3,771	(3,771)	-	-
Other Retirement Contributions - PERS	11-000-230-241	3,181	(3,181)	-	-
Workmen's Compensation	11-000-230-260	1,948	(1,138)	810	-
Health Benefits	11-000-230-270	22,486	(2,841)	19,645	-
Legal Services	11-000-230-331	10,000	26,837	36,837	-
Audit Fees	11-000-230-332	18,000	(1,000)	17,000	-
Other Purchased Professional Services	11-000-230-339	5,595	(1,160)	4,435	-
Communications/Telephone	11-000-230-530	17,700	4,343	22,043	-
BOE Other Purchased Services	11-000-230-585	1,786	583	2,369	-
Supplies and Materials	11-000-230-600	830	(525)	305	-
Miscellaneous Expenditures	11-000-230-890	1,645	1,160	2,805	-
BOE Membership Dues & Fees	11-000-230-895	3,120	208	3,328	-
Total Support Services General Administration		234,929	10,823	245,752	-

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services School Administration:					
Salaries of Principals & Assistant Principal	11-000-240-103	39,347	(772)	38,575	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	15,402	-	15,402	-
Health Benefits	11-000-240-270	9,799	(344)	9,455	-
Other Purchased Services	11-000-240-500	250	(250)	-	-
Other Objects	11-000-240-800	820	-	820	-
<b>Total Support Services School Administration</b>		<b>65,618</b>	<b>(1,366)</b>	<b>64,252</b>	<b>-</b>
Support Services Central Services:					
Salaries	11-000-251-100	105,278	110	105,388	-
Health Benefits	11-000-251-270	11,554	(353)	11,201	-
Purchased Professional Services	11-000-251-330	15,545	(1,003)	14,542	-
Miscellaneous Purchase Services	11-000-251-590	1,650	(840)	810	50
Supplies and Materials	11-000-251-600	3,150	8,023	11,173	250
Miscellaneous Expenditures	11-000-251-890	1,562	219	1,781	100
<b>Total Support Services Central Services</b>		<b>138,739</b>	<b>6,156</b>	<b>144,895</b>	<b>400</b>
Required Maintenance for School Facilities					
Salaries	11-000-261-100	109,720	(375)	109,345	-
Cleaning, Repair & Maintenance Services	11-000-261-420	63,068	33,955	97,023	15,712
General Supplies	11-000-261-610	10,000	40,901	50,901	849
Other Objects	11-000-261-800	4,700	1,729	6,429	-
<b>Total Required Maintenance for School Facilities</b>		<b>187,488</b>	<b>76,210</b>	<b>263,698</b>	<b>16,561</b>

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Custodial Services:					
Salaries	11-000-262-100	89,567	(753)	88,814	-
Cleaning, Repair & Maintenance Services	11-000-262-420	8,489	(404)	8,085	-
Insurance	11-000-262-520	14,488	(8,193)	6,295	-
Miscellaneous Purchased Services	11-000-262-590	-	-	-	-
General Supplies	11-000-262-610	18,500	41,245	59,745	38,888
Energy (Natural Gas)	11-000-262-621	32,500	(7,541)	24,959	-
Energy (Electricity)	11-000-262-622	72,417	(19,860)	52,557	-
Other Objects	11-000-262-800	400	(400)	-	-
Total Custodial Services		236,361	4,094	240,455	20,857
Total Operation & Maintenance of Plant Services		423,849	80,304	504,153	466,735
Student Transportation Services:					
Salaries - (Between Home & School) - Regular	11-000-270-160	30,600	2,168	32,768	-
Cleaning, Repair & Maintenance Services	11-000-270-420	3,000	375	3,375	942
Contracted Services - (Between Home & School) - Joint Agreement	11-000-270-513	152,298	(6,782)	145,516	16,612
Contracted Services - (Special Ed Students) - Joint Agreement	11-000-270-515	20,461	-	20,461	-
Aid in Lieu of Payments	11-000-270-503	26,520	(13,227)	13,293	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	2,903	(1,696)	1,207	-
Miscellaneous Expenditures	11-000-270-800	1,000	1,008	2,008	789
Total Student Transportation Services		236,782	(18,154)	218,628	38,804

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Instruction - Employee Benefits					
Group Insurance	11-100-100-210	1,000	(315)	685	685
Social Security Contributions	11-100-100-220	49,999	14,770	64,769	64,769
Other Retirement Contributions - PERS	11-100-100-241	48,863	(5,080)	43,783	43,783
Other Retirement Contributions - Regular	11-100-100-249	2,981	(412)	2,569	2,569
Workmen's Compensation	11-100-100-260	16,574	(9,278)	7,296	7,296
Health Benefits	11-100-100-270	841,610	(98,727)	742,883	737,688
Tuition Reimbursement	11-100-100-280	11,400	(3,800)	7,600	7,600
Other Employee Benefits	11-100-100-290	2,580	(1,530)	1,050	1,050
<b>Total Regular Instruction - Employee Benefits</b>		<b>975,007</b>	<b>(104,372)</b>	<b>870,635</b>	<b>865,440</b>
Nonbudgeted:					
On-Behalf TPAF Pension Contribution		-	-	-	114,613
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	181,947
Reimbursed TPAF Social Security Contributions		-	-	-	148,775
<b>Total Undistributed Expenditures</b>		<b>2,896,990</b>	<b>(185,131)</b>	<b>2,711,859</b>	<b>3,038,778</b>
<b>Total Expenditures - Current Expense</b>		<b>4,910,360</b>	<b>101,896</b>	<b>5,012,256</b>	<b>5,129,980</b>
Capital Outlay:					
Interest Deposit to Capital Reserve	10-604	750	-	750	-
Equipment:					
Instruction	12-000-100-730	-	-	-	-
General Administration	12-000-230-730	-	26,531	26,531	26,531
<b>Total Equipment</b>		<b>750</b>	<b>26,531</b>	<b>27,281</b>	<b>26,531</b>
					<b>750</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015		POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET TRANSFERS	FINAL BUDGET	
Facilities Acquisition & Construction Services:				
Architect & Engineering Fees	12-000-400-334	-	35,545	35,545
Assessment for Debt Service on SDA Funding	12-000-400-896	1,375	-	1,375
Total Facilities Acquisition & Construction Services		1,375	35,545	36,920
Total Capital Outlay		2,125	62,076	63,451
Total Expenditures		4,912,485	5,076,457	5,193,431
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(246,937)	(410,909)	(50,378)
Fund Balances, July 1		823,545	-	823,545
Fund Balances, June 30		\$ 576,608	\$ (163,972)	\$ 773,167
			\$ 412,636	\$ 360,531

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Reserve for Encumbrances	\$ 163,972
Total Budget Transfers	<u>\$ 163,972</u>

**RECAPITULATION OF FUND BALANCE**

Restricted Fund Balance:		
Capital Reserve	\$ 65,660	
Maintenance Reserve	26,800	
Excess Surplus	83,047	
Excess Surplus Designated for Subsequent Year's Expenditures	92,174	
Assigned Fund Balance:		
Year-end Encumbrances	253,050	
Unassigned Fund Balance	<u>252,436</u>	
Subtotal	<u>773,167</u>	
Reconciliation to Governmental Fund Statements (GAAP):		
Last Two State Aid Payment Not Recognized on GAAP Basis	<u>(121,212)</u>	
Fund Balance per Governmental Funds (GAAP)	<u>\$ 651,955</u>	

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	77,679	58,301	135,980	135,980	-
<b>Total Revenues</b>	<b>77,679</b>	<b>58,301</b>	<b>135,980</b>	<b>135,980</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
General Supplies	-	-	-	-	-
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:					
Purchased Professional/Technical Services	77,679	58,301	135,980	135,980	-
Purchased Professional Services	-	-	-	-	-
<b>Total Support Services</b>	<b>77,679</b>	<b>58,301</b>	<b>135,980</b>	<b>135,980</b>	<b>-</b>
<b>Total Expenditures</b>	<b>77,679</b>	<b>58,301</b>	<b>135,980</b>	<b>135,980</b>	<b>-</b>
<b>Total Outflows</b>	<b>77,679</b>	<b>58,301</b>	<b>135,980</b>	<b>135,980</b>	<b>-</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/(Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 5,143,053	\$ 135,980
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	121,098	-
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)	(121,212)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 5,142,939</u>	<u>\$ 135,980</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,193,431	\$ 135,980
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 5,193,431</u>	<u>\$ 135,980</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

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

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

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

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 52,516	\$ 43,783
Contributions in relation to the contractually required contribution	<u>52,516</u>	<u>43,783</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 413,022	\$ 421,694
Contributions as a percentage of covered- employee payroll	12.72%	10.38%

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

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

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

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

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

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

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

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

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

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

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

**Changes of assumptions.** Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	TITLE I	TITLE IIA	REAP	I.D.E.A. PRESCHOOL	I.D.E.A. BASIC	2015
Revenues:						
Federal Sources	\$ 15,311	\$ 5,054	\$ 26,196	\$ 5,082	\$ 84,337	\$ 135,980
Total Revenues	\$ 15,311	\$ 5,054	\$ 26,196	\$ 5,082	\$ 84,337	\$ 135,980
Expenditures:						
Support Services:						
Purchased Professional - Technical Services	\$ 15,311	\$ 5,054	\$ 26,196	\$ 5,082	\$ 84,337	\$ 135,980
Total Support Services	15,311	5,054	26,196	5,082	84,337	135,980
Total Expenditures	\$ 15,311	\$ 5,054	\$ 26,196	\$ 5,082	\$ 84,337	\$ 135,980

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F. Capital Projects Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES FOR MANAGED CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	DATE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2014
			PRIOR YEARS	CURRENT YEAR	
Springfield Elementary School Improvements	02/26/2014	\$ 5,730,906	\$ -	\$ 131,225	\$ 5,599,681
			Total \$	- \$ 131,225	\$ 5,599,681

Reconciliation - Unexpended Capital Project  
Balances to Fund Balance - June 30, 2015:

Unexpended Project Balances June 30, 2015	\$ 5,599,681
Less:	
Unexpended State Aid - ROD Grants	(2,239,872)
Bond Proceeds not Received	(3,438,544)
<b>Total Fund Balance (GAAP Basis) - June 30, 2015</b>	<b>\$ (78,735)</b>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues:	
State Sources - SDA Grant	\$ 2,292,362
Other Financing Sources	<u>3,438,544</u>
 Total Revenues	 <u>5,730,906</u>
 Expenditures:	
Purchased Professional & Technical Services	<u>131,225</u>
 Total Expenditures	 <u>131,225</u>
 Excess/(Deficiency) of Revenues Over/(Under) Expenditures	 5,599,681
Fund Balance - Beginning	<u>-</u>
 Fund Balance - Ending	 <u><u>\$ 5,599,681</u></u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND  
PROJECT STATUS--BUDGETARY BASIS  
SPRINGFIELD ELEMENTARY SCHOOL IMPROVEMENTS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ -	\$ 2,292,362	\$ 2,292,362	\$ 2,292,362
Other Financing Sources	-	3,438,544	3,438,544	3,438,544
<b>Total Revenues</b>	<b>-</b>	<b>5,730,906</b>	<b>5,730,906</b>	<b>5,730,906</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	131,225	131,225	569,500
Construction Services	-	-	-	5,161,406
<b>Total Expenditures</b>	<b>-</b>	<b>131,225</b>	<b>131,225</b>	<b>5,730,906</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 5,599,681	\$ 5,599,681	\$ -

## Additional Project Information:

DOE Project #	5010-050-14-1001
SDA Project #	5010-050-14-G3DY
Grant #	G5-6200
Grant Date	02/26/2014
Bond Authorization Date	05/19/2015
Bonds Authorization	4,104,000
Bonds Issued	\$ -
Original Authorized Cost	\$ 5,730,906
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 5,730,906
Percentage Increase Over Original Authorized Cost	
Percentage Completion	2.29%
Original Target Completion Date	09/01/2016
Revised Target Completion Date	

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## G. Proprietary Funds

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## Enterprise Funds

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE FUND	2015
Current Assets:		
Cash	\$ 4,758	\$ 4,758
Accounts Receivable:		
State	102	102
Federal	1,963	1,963
Inventories	5,527	5,527
Total Current Assets	12,350	12,350
 Total Assets	 12,350	 12,350
LIABILITIES		
Current Liabilities:		
Accounts Payable	8,019	8,019
Total Liabilities	8,019	8,019
NET POSITION		
Restricted	-	-
Unrestricted	4,331	4,331
Total Net Position	\$ 4,331	\$ 4,331

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES  
EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	2015
Operating Revenues:		
Local Sources:		
Daily Sales-Reimbursable Programs	\$ 42,099	\$ 42,099
Daily Sales-Non-Reimbursable Program	16,943	16,943
	<hr/>	<hr/>
Total Operating Revenue	59,042	59,042
Operating Expenses:		
Cost of Sales	39,040	39,040
Salaries and Fringe Benefits	45,838	45,838
Supplies	1,475	1,475
Other Costs	1,853	1,853
Management Fee	8,500	8,500
Miscellaneous Expenses	1,667	1,667
	<hr/>	<hr/>
Total Operating Expenses	98,373	98,373
Operating Income/(Loss)	<hr/> (39,331)	<hr/> (39,331)
Nonoperating Revenues (Expenses)		
State Sources:		
State School Lunch Program	917	917
Federal Sources:		
National School Lunch Program	22,278	22,278
Food Distribution Program	10,517	10,517
Interest Earnings	7	7
	<hr/>	<hr/>
Total Nonoperating Revenue (Expenses)	33,719	33,719
Change in Net Position	(5,612)	(5,612)
Total Net Position - Beginning	<hr/> 9,943	<hr/> 9,943
Total Net Position - Ending	<hr/> <u>\$ 4,331</u>	<hr/> <u>\$ 4,331</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	FOOD SERVICE FUND	2015
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 57,133	\$ 57,133
Payments to Employees	(45,838)	(45,838)
Payments to Suppliers	(53,280)	(53,280)
	<u>(41,985)</u>	<u>(41,985)</u>
Net Cash Provided/(Used) by Operating Activities		
Cash Flows From Noncapital Financing Activities:		
Cash Received from State Sources	950	950
Cash Received from Federal Sources	32,818	32,818
	<u>33,768</u>	<u>33,768</u>
Net Cash Provided by Capital Financing Activities		
Cash Flows From Investing Activities:		
Interest on Cash Equivalents	7	7
	<u>7</u>	<u>7</u>
Net Cash Provided by Investing Activities		
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,210)	(8,210)
Balances - Beginning of Year	12,968	12,968
	<u>\$ 4,758</u>	<u>\$ 4,758</u>
Balances - Ending of Year		

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

Operating Income (Loss)	\$ (39,331)	\$ (39,331)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used in) Operating Activities:		
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(1,909)	(1,909)
Increase/(Decrease) in Other Payables	(745)	(745)
	<u>(2,654)</u>	<u>(2,654)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (41,985)</u>	<u>\$ (41,985)</u>

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

	<u>PRIVATE PURPOSE</u>	<u>AGENCY FUNDS</u>		
ASSETS	<u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL</u>	2015
<b>Assets:</b>				
Cash & Cash Equivalents	\$ 37,191	\$ 24,462	\$ 5,867	\$ 67,520
Total Assets	<u>37,191</u>	<u>24,462</u>	<u>5,867</u>	<u>67,520</u>
<b>LIABILITIES</b>				
<b>Liabilities:</b>				
Due to Employees	-	-	2,520	2,520
Payroll Deductions & Withholdings	-	-	3,347	3,347
Due to Student Groups	-	24,462	-	24,462
Total Liabilities	<u>-</u>	<u>24,462</u>	<u>5,867</u>	<u>30,329</u>
<b>NET POSITION</b>				
Reserved	<u>37,191</u>	-	-	<u>37,191</u>
Total Net Position	<u>\$ 37,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,191</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2015**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION INSURANCE	2015
Additions:		
Local Sources:		
Employee Salary Deductions	\$ 2,594	\$ 2,594
Total Operating Revenues	<u>2,594</u>	<u>2,594</u>
Other Sources:		
Interest on Investments	<u>35</u>	<u>35</u>
Total Additions	<u>2,629</u>	<u>2,629</u>
Deductions:		
Unemployment Compensation Insurance Claims	<u>71</u>	<u>71</u>
Change in Net Position	2,558	2,558
Net Position, July 1	<u>34,633</u>	<u>34,633</u>
Net Position, June 30	<u>\$ 37,191</u>	<u>\$ 37,191</u>

**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STUDENT ACTIVITY AGENCY FUND SCHEDULE  
OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Elementary School	\$ 26,561	\$ 29,241	\$ 31,340	\$ 24,462
Total Student Activity	<u>\$ 26,561</u>	<u>\$ 29,241</u>	<u>\$ 31,340</u>	<u>\$ 24,462</u>

**PAYROLL FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DISBURSEMENTS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 28,275	\$ 3,181,129	\$ 3,203,537	\$ 5,867
Total Assets	<u>\$ 28,275</u>	<u>\$ 3,181,129</u>	<u>\$ 3,203,537</u>	<u>\$ 5,867</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 20,273	\$ 1,347,898	\$ 1,364,824	\$ 3,347
Due to Employees	2,724	903	1,107	2,520
Due to General Fund	5,278	-	5,278	-
Net Payroll	<u>-</u>	<u>1,832,328</u>	<u>1,832,328</u>	<u>-</u>
Total Liabilities	<u>\$ 28,275</u>	<u>\$ 3,181,129</u>	<u>\$ 3,203,537</u>	<u>\$ 5,867</u>

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I. Long-Term Debt

Not Applicable

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**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 1,820,267	\$ 1,696,128	\$ 1,277,779	\$ 1,304,792	\$ 1,349,913	\$ 1,225,052	\$ 1,098,524	\$ 811,121	\$ 700,767	\$ 545,152
Restricted	520,731	570,503	1,170,413	970,263	590,789	435,307	453,813	416,214	496,260	654,346
Unrestricted	(1,082,174)	534	3,384	49,123	34,221	836	(3,431)	(1,316)	4,901	(134,100)
<b>Total Governmental Activities</b>	<b>\$ 1,258,824</b>	<b>\$ 2,267,165</b>	<b>\$ 2,451,576</b>	<b>\$ 2,324,178</b>	<b>\$ 1,974,923</b>	<b>\$ 1,661,195</b>	<b>\$ 1,548,906</b>	<b>\$ 1,226,019</b>	<b>\$ 1,201,928</b>	<b>\$ 1,065,398</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535	\$ 1,605	\$ 2,675	\$ 3,190
Restricted	-	8,182	8,182	-	-	-	-	-	-	-
Unrestricted	4,331	1,761	9,004	22,632	26,365	26,522	35,403	22,807	37,470	35,260
<b>Total Business-Type Activities</b>	<b>\$ 4,331</b>	<b>\$ 9,943</b>	<b>\$ 17,186</b>	<b>\$ 22,632</b>	<b>\$ 26,365</b>	<b>\$ 26,522</b>	<b>\$ 35,938</b>	<b>\$ 24,412</b>	<b>\$ 40,145</b>	<b>\$ 38,450</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 1,820,267	\$ 1,696,128	\$ 1,277,779	\$ 1,304,792	\$ 1,349,913	\$ 1,225,052	\$ 1,099,059	\$ 812,726	\$ 703,442	\$ 548,342
Restricted	520,731	578,685	1,178,595	970,263	590,789	435,307	453,813	416,214	496,260	654,346
Unrestricted	(1,077,843)	2,295	12,388	71,755	60,586	27,358	31,972	21,491	42,371	(98,840)
<b>Total District Net Position</b>	<b>\$ 1,263,155</b>	<b>\$ 2,277,108</b>	<b>\$ 2,468,762</b>	<b>\$ 2,346,810</b>	<b>\$ 2,001,288</b>	<b>\$ 1,687,717</b>	<b>\$ 1,584,844</b>	<b>\$ 1,250,431</b>	<b>\$ 1,242,073</b>	<b>\$ 1,103,848</b>

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

	FISCAL YEAR ENDING JUNE 30.									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,504,017	\$1,618,553	\$1,504,738	\$1,311,226	\$1,268,836	\$1,317,272	\$1,279,798	\$1,278,264	\$1,243,872	\$1,337,516
Special	313,019	343,736	385,391	477,967	475,580	394,542	360,060	261,938	217,847	263,047
Other	139,606	173,235	172,918	164,925	146,136	148,415	202,061	307,877	295,666	210,037
Support Services:										
Tuition	96	96,541	53,729	78,320	44,200	55,822	112,700	259,011	242,927	186,811
Student & Instruction Related Services	762,829	620,787	489,041	440,669	471,046	579,310	378,735	362,897	348,722	347,366
General & Business Administrative Services	247,127	209,148	172,637	325,642	330,601	366,561	371,630	317,334	279,362	278,211
School Administrative Services	64,252	54,683	89,791	84,495	76,640	95,263	95,419	101,458	87,571	82,301
Central Services	144,495	137,429	138,809	-	-	-	-	-	-	-
Plant Operations & Maintenance	466,735	373,720	357,175	365,186	331,962	421,006	480,927	408,667	385,605	434,635
Pupil Transportation	179,824	213,925	224,878	231,208	271,823	276,091	274,735	299,550	272,274	254,733
Business & Other Support Services										
Unallocated Benefits	915,890	1,300,987	1,334,755	1,174,909	1,066,296	1,079,529	1,013,574	1,189,602	1,122,250	886,700
Special Schools	-	-	8,026	8,139	10,652	10,027	10,503	12,099	13,529	11,915
Interest on Long-Term Debt	-	-	-	-	8,858	16,642	26,182	38,107	49,233	48,446
Unallocated Depreciation	69,162	168,860	28,388	45,010	56,123	45,237	49,926	46,963	9,473	23,233
Total Governmental Activities Expenses	5,807,052	5,311,604	4,960,276	4,707,696	4,558,753	4,805,717	4,656,250	4,883,767	4,568,331	4,364,951
Business-Type Activities:										
Food Service	98,373	101,495	111,768	112,339	101,400	119,283	115,130	125,572	115,551	108,388

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Business-Type Activities Expense	98,373	101,495	111,768	112,339	101,400	119,283	115,130	125,572	115,551	108,388
Total District Expenses	\$ 5,905,425	\$ 5,413,099	\$ 5,072,044	\$ 4,820,035	\$ 4,660,153	\$ 4,925,000	\$ 4,771,380	\$ 5,009,339	\$ 4,683,882	\$ 4,473,339
Revenues:										
Operating Grants & Contributions	\$ 1,082,973	\$ 128,055	\$ 158,692	\$ 485,490	\$ 444,530	\$ 548,946	\$ 517,037	\$ 621,286	\$ 590,316	\$ 463,681
Total Governmental Activities Program Revenues	1,082,973	\$ 128,055	\$ 158,692	485,490	444,530	548,946	517,037	621,286	590,316	463,681
Business-Type Activities:										
Charges for Services:										
Food Service	59,042	61,914	68,503	83,836	79,556	81,596	87,090	82,538	78,896	78,386
Operating Grants & Contributions	33,712	32,324	29,622	24,763	21,467	27,973	23,422	22,127	22,604	19,751
Total Business Type Activities Program Revenues	92,754	94,238	98,125	108,599	101,023	109,569	110,512	104,665	101,500	98,137
Total District Program Revenues	\$ 1,175,727	\$ 222,293	\$ 256,817	\$ 594,089	\$ 545,553	\$ 658,515	\$ 627,549	\$ 725,951	\$ 691,816	\$ 561,818

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

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Net/(Expense)/Revenue:</b>										
Governmental Activities	\$ (4,724,079)	\$ (5,183,549)	\$ (4,801,584)	\$ (4,222,206)	\$ (4,114,223)	\$ (4,256,771)	\$ (4,139,213)	\$ (4,262,481)	\$ (3,978,015)	\$ (3,901,270)
Business-Type Activities	(5,619)	(7,257)	(13,643)	(3,740)	(377)	(9,714)	(4,618)	(20,907)	(14,051)	(10,251)
<b>Total District-Wide Net Expense</b>	<b>\$ (4,729,698)</b>	<b>\$ (5,190,806)</b>	<b>\$ (4,815,227)</b>	<b>\$ (4,225,946)</b>	<b>\$ (4,114,600)</b>	<b>\$ (3,650,745)</b>	<b>\$ (4,143,831)</b>	<b>\$ (4,283,388)</b>	<b>\$ (3,992,066)</b>	<b>\$ (3,911,521)</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
County Appropriations	\$ 3,450,249	3,382,597	3,316,272	\$ 3,251,247	\$ 3,230,096	\$ 3,161,544	\$ 3,051,946	\$ 2,946,803	\$ 2,817,569	\$ 2,693,978
Unrestricted Grants & Contributions	1,268,361	1,595,786	1,612,938	1,250,119	1,146,654	1,123,709	1,273,204	1,303,779	1,272,699	1,276,722
Tuition Received	-	-	-	-	-	-	-	3,300	11,000	-
Investment Earnings	40	252	125	84	836	881	205	11,731	5,676	4,911
Miscellaneous Income	31,444	20,503	18,370	65,455	50,365	82,926	40,402	25,245	41,718	44,352
Other Financing Sources - Transfers, Miscellaneous / Other	-	-	-	4,556	-	-	(16,049)	(4,286)	(34,117)	(30,000)
<b>Total Governmental Activities</b>	<b>4,750,094</b>	<b>4,999,138</b>	<b>4,947,705</b>	<b>4,571,461</b>	<b>4,427,951</b>	<b>4,369,060</b>	<b>4,349,708</b>	<b>4,286,572</b>	<b>4,114,545</b>	<b>3,989,963</b>
Business-type Activities	7	14	15	7	220	298	16,144	5,174	15,746	30,449
<b>Total District-Wide</b>	<b>\$ 4,750,101</b>	<b>\$ 4,999,152</b>	<b>\$ 4,947,720</b>	<b>\$ 4,571,468</b>	<b>\$ 4,428,171</b>	<b>\$ 4,369,358</b>	<b>\$ 4,349,708</b>	<b>\$ 4,286,572</b>	<b>\$ 4,130,291</b>	<b>\$ 3,989,963</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 26,015	\$ (184,411)	\$ 146,121	\$ 349,255	\$ 313,728	\$ 112,289	\$ 210,495	\$ 24,091	\$ 136,530	\$ 88,693
Business-Type Activities	(5,612)	(7,243)	(13,628)	(3,733)	(157)	(9,416)	11,526	(15,733)	1,695	20,198
<b>Total District</b>	<b>\$ 20,403</b>	<b>\$ (191,654)</b>	<b>\$ 132,493</b>	<b>\$ 345,522</b>	<b>\$ 313,571</b>	<b>\$ 102,873</b>	<b>\$ 222,021</b>	<b>\$ 8,358</b>	<b>\$ 138,225</b>	<b>\$ 108,891</b>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted for:										
Capital Reserve	\$ 65,660	\$ 40,620	\$ 539,618	\$ 289,493	\$ 89,409	\$ 88,573	\$ 87,692	\$ 87,487	\$ 62,588	\$ 37,298
Maintenance Reserve	26,800	26,800	10,000	10,000	10,000	10,000	10,000	10,000	-	-
Excess Surplus	83,047	92,174	139,565	396,937	216,124	139,913	191,079	127,248	80,823	265,679
Excess Surplus Designated for Subsequent Year's Expenditures	92,174	139,565	396,937	-	-	-	-	-	-	-
Assigned for:										
Year-end Encumbrances	253,050	163,972	84,293	5,249	-	-	24	33,518	87,152	89,599
Subsequent Year's Budget	-	107,372	-	249,861	275,256	196,821	165,000	155,823	265,679	239,304
Unassigned	131,224	131,944	140,151	142,469	149,373	128,931	127,833	191,022	192,888	40,368
Total General Fund	\$ 651,955	\$ 702,447	\$ 1,310,564	\$ 1,094,009	\$ 740,162	\$ 564,238	\$ 581,628	\$ 605,098	\$ 689,130	\$ 672,248
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ 18,723	\$ -	\$ -	\$ -	\$ 1,604	\$ (516)	\$ (516)
Capital Projects Fund	(78,735)	-	-	-	-	-	-	-	-	22,466
Debt Service Fund	-	-	-	-	-	-	18	18	18	-
Total All Other Governmental Funds	\$ (78,735)	\$ -	\$ -	\$ 18,723	\$ -	\$ -	\$ 18	\$ 1,622	\$ (498)	\$ 21,950

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tax Levy	\$ 3,450,249	\$ 3,382,597	\$ 3,316,272	\$ 3,251,247	\$ 3,230,096	\$ 3,161,544	\$ 3,051,946	\$ 2,946,803	\$ 2,817,569	\$ 2,693,978
Tuition Charges	-	-	-	-	-	-	-	3,300	11,000	3,627
Interest Earnings	40	252	125	84	836	881	205	11,731	5,676	4,911
Miscellaneous	31,444	20,503	18,370	65,455	50,365	82,926	40,402	25,246	41,718	40,725
State Sources	1,713,696	1,596,326	1,613,504	1,553,566	1,470,509	1,340,066	1,624,065	1,773,883	1,760,081	1,633,942
Federal Sources	135,980	127,515	1,581,26	182,043	120,675	332,589	166,176	135,958	102,934	106,461
<b>Total Revenue</b>	<b>5,331,409</b>	<b>5,127,193</b>	<b>5,106,397</b>	<b>5,052,395</b>	<b>4,872,481</b>	<b>4,918,006</b>	<b>4,882,794</b>	<b>4,896,921</b>	<b>4,738,978</b>	<b>4,483,644</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	2,504,017	1,618,553	1,504,738	1,329,375	1,281,391	1,315,671	1,332,191	1,248,517	1,206,919	1,248,361
Special Education Instruction	313,019	343,736	385,391	477,967	475,580	394,542	360,060	261,938	217,847	263,047
Other Instruction	139,606	173,235	172,918	164,925	146,136	148,415	202,061	307,877	295,666	210,037
<b>Support Services:</b>										
Tuition	96	96,541	53,729	78,320	44,200	55,822	112,700	259,011	242,927	186,811
Student & Instruction Related Services	762,829	620,787	489,041	440,669	471,046	579,310	378,735	364,397	348,722	347,366
General & Business Administration Services	245,752	207,773	172,637	323,480	330,601	364,375	367,857	312,841	275,618	267,585
School Administrative Services	64,252	54,683	89,791	84,495	76,640	95,263	95,419	101,458	87,571	82,301
Central Services	144,495	137,429	138,809	-	-	-	-	-	-	-
Plant Operations & Maintenance	466,735	373,720	357,175	359,747	331,962	373,595	460,578	402,117	386,407	434,635
Pupil Transportation	179,824	213,925	224,878	231,208	271,823	274,608	271,768	296,583	272,274	264,113
Other Support Services	445,335	1,306,344	1,291,334	1,174,909	1,066,296	1,079,529	1,013,574	1,189,602	1,122,250	886,700
Special Schools	-	-	1,375	8,139	10,652	10,027	10,503	12,099	13,529	11,915
Capital Outlay	194,676	588,584	8,026	6,591	1,743	45,230	77,806	-	13,050	1,715
<b>Debt Service:</b>										
Principal	-	-	-	-	179,000	180,000	180,000	180,000	180,000	175,000
Interest & Other Charges	-	-	-	-	9,487	19,027	28,567	38,107	47,647	56,922
<b>Total Expenditures</b>	<b>5,460,636</b>	<b>5,735,310</b>	<b>4,889,842</b>	<b>4,679,825</b>	<b>4,696,557</b>	<b>4,935,414</b>	<b>4,891,819</b>	<b>4,974,547</b>	<b>4,710,427</b>	<b>4,436,508</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(129,227)</b>	<b>(608,117)</b>	<b>216,555</b>	<b>372,570</b>	<b>175,924</b>	<b>(17,408)</b>	<b>(9,025)</b>	<b>(77,626)</b>	<b>28,551</b>	<b>47,136</b>
<b>Other Financing Sources/(Uses):</b>										
Prior Year Receivables Cancelled	-	-	-	-	-	-	-	-	(19,402)	-
Transfers In	-	-	-	-	-	-	-	-	19,615	-
Transfers Out	-	-	-	-	-	-	(16,049)	(4,286)	(34,330)	(30,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,049)</b>	<b>(4,286)</b>	<b>(34,117)</b>	<b>(30,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (129,227)</b>	<b>\$ (608,117)</b>	<b>\$ 216,555</b>	<b>\$ 372,570</b>	<b>\$ 175,924</b>	<b>\$ (17,408)</b>	<b>\$ (25,074)</b>	<b>\$ (81,912)</b>	<b>\$ (5,566)</b>	<b>\$ 17,136</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>										
				4.2%	4.2%	4.2%	4.5%	4.6%	5.1%	5.5%

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

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

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	SUMMER TRANSPORTATION FEES	PRIOR YEAR REFUNDS	PRIOR YEAR		ENERGY AUDIT	TUITION	NONPUBLIC TRANSPORTATION	MISCELLANEOUS	TOTAL
				OUTSTANDING CHECKS	CANCELLED					
2015	\$ 1,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,402	\$ -	\$ 1,967	\$ 31,444
2014	975	-	4,703	-	-	-	-	-	14,825	20,503
2013	1,425	-	-	-	-	-	-	-	16,945	18,370
2012	1,514	-	47,483	919	-	-	-	-	15,623	65,539
2011	8,821	5,574	32,231	-	3,033	-	-	-	1,542	51,201
2010	11,942	6,163	40,338	11,788	12,980	-	-	-	596	83,807
2009	7,522	-	30,088	-	-	-	-	-	2,997	40,607
2008	29,525	-	6,497	-	-	-	3,300	-	955	40,277
2007	44,319	-	2,750	-	-	-	11,000	-	325	58,394
2006	37,255	-	5,313	-	-	-	3,627	2,074	994	49,263

Source: District records

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL DIRECT SCHOOL RATIO b	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	8,960,950	280,027,800	48,404,200	8,247,250	39,626,130	385,266,330	1,042,493	386,308,823	40,390,550	0.899	391,454,551
2014	10,200,450	285,013,000	46,312,500	8,516,310	40,271,630	390,313,890	941,780	391,255,670	37,256,620	0.882	399,666,076
2013	9,148,800	319,406,300	58,130,350	8,141,325	44,744,730	439,571,505	1,059,877	440,631,382	34,260,110	N/A	N/A
2012	8,693,800	320,597,900	59,831,550	7,705,755	46,369,530	443,198,535	1,064,130	444,262,665	34,225,700	0.746	N/A
2011	8,829,800	321,062,500	59,498,670	7,845,835	47,213,330	444,450,135	1,058,600	445,508,735	34,025,700	0.729	459,515,714
2010	9,494,300	322,408,700	57,574,970	9,248,059	47,538,330	446,264,359	1,231,512	447,495,871	31,227,900	0.722	484,277,796
2009	7,384,000	322,920,700	55,634,310	9,881,839	48,041,580	443,862,429	1,189,150	445,051,579	30,819,610	0.711	505,358,815
2008	7,097,900	322,260,900	54,235,910	9,176,159	47,352,780	440,123,649	1,095,081	441,218,730	29,914,660	0.691	491,033,999
2007	7,222,300	321,869,699	52,533,150	6,777,679	45,265,980	433,668,709	1,038,693	434,707,402	29,612,810	0.678	481,778,051
2006	8,718,460	318,183,000	49,888,600	6,723,889	45,899,080	429,413,029	1,109,999	430,523,028	29,465,910	0.655	422,427,176

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

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

a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b. Tax rates are per \$100

N/A - Not Available

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOWNSHIP			BURLINGTON COUNTY	
			OF SPRINGFIELD	REGIONAL SCHOOL	BURLINGTON COUNTY		
2015	0.899	N/A	0.532	1.000	0.415	0.415	2.846
2014	0.882	N/A	0.487	0.925	0.392	0.392	2.686
2013	0.769	0.778	0.416	0.778	0.353	0.353	3.094
2012	0.746	0.734	0.418	0.734	0.367	0.367	2.265
2011	0.729	0.728	0.398	0.728	0.391	0.391	2.246
2010	0.692	0.030	0.378	0.699	0.412	0.412	2.211
2009	0.681	0.030	0.379	0.687	0.432	0.432	2.209
2008	0.655	0.036	0.366	0.727	0.433	0.433	2.217
2007	0.642	0.036	0.352	0.782	0.468	0.468	2.280
2006	0.618	0.037	0.329	0.748	0.431	0.431	2.163

Source: Burlington County Board of Taxation

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

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Columbus Farmers Market	\$8,855,400	1	1.331%
Helis Enterprise	2,414,900	2	0.363%
Transcontinental Pipeline	2,251,630	3	0.338%
NJ Land	1,651,100	4	0.248%
Milo Corporation	1,600,000	5	0.240%
Interstate Storage & Pipeline	1,584,290	6	0.238%
K&P Ganesh Corporation	1,265,100	7	0.190%
Store & Lock Self Storage	1,112,400	8	0.167%
Verizon	959,580	9	0.144%
Taxpayer #1	N/A	10	N/A
Total	<u>\$21,694,400</u>		<u>3.259%</u>

TAXPAYER	2004		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Columbus Farmers Market	\$8,959,600	1	1.346%
Milo Corporation	1,750,000	2	0.263%
Helis Enterprise	2,388,150	3	0.359%
Transcontinental Pipeline	2,251,630	4	0.338%
K&P Ganesh Corporation	1,474,500	5	0.222%
Taxpayer #1	N/A	6	N/A
NJ Land	1,900,000	7	0.285%
Verizon	1,084,877	8	0.163%
Store & Lock Self Storage	1,310,000	9	0.197%
Interstate Storage & Pipeline	1,279,340	10	0.192%
Total	<u>\$21,118,757</u>		<u>3.365%</u>

**Source:** Municipal Tax Assessor

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED DECEMBER 31,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	\$ 3,450,249	\$ 3,450,249	100.00%	-
2014	3,382,597	3,382,597	100.00%	-
2013	3,316,272	3,316,272	100.00%	-
2012	3,251,247	3,251,247	100.00%	-
2011	3,230,096	3,230,096	100.00%	-
2010	3,161,544	3,161,544	100.00%	-
2009	3,051,946	3,051,946	100.00%	-
2008	2,946,803	2,946,803	100.00%	-
2007	2,817,569	2,817,569	100.00%	-
2006	2,693,978	2,693,978	100.00%	-

Source: Municipal Financial Statements

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

FISCAL DECEMBER 31, ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A
2010	179,000	N/A	179,000	0.11%	52
2009	359,000	N/A	359,000	0.22%	104
2008	539,000	N/A	539,000	0.34%	155
2007	719,000	N/A	719,000	0.47%	203
2006	899,000	802	899,802	0.63%	255

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

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	-	-	-	0.00%	N/A
2014	-	-	-	0.00%	N/A
2013	-	-	-	0.00%	N/A
2012	-	-	-	0.00%	N/A
2011	-	-	-	0.00%	N/A
2010	179,000	-	179,000	0.04%	52
2009	359,000	-	359,000	0.08%	104
2008	539,000	-	539,000	0.12%	155
2007	719,000	-	719,000	0.17%	203
2006	899,000	-	899,000	0.21%	255

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Springfield	\$5,585,000	100.000%	\$5,585,000
Burlington County General Obligation Debt	303,356,410	1.074%	3,258,048
Northern Burlington County Regional School District	16,411,000	15.924%	2,613,288
Subtotal, Overlapping Debt			11,456,335
Springfield Township Board of Education Direct Debt			-
Total Direct & Overlapping Debt			<u>\$11,456,335</u>

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

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(Dollars in Thousands)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$12,034,147	\$12,359,315	12,959,521	11,360,525	11,955,851	12,143,133	12,108,336	13,738,148	12,604,230	11,083,996
Total Net Debt Applicable to Limit	4,104,000	-	-	-	-	179,000	359,000	539,000	719,000	899,000
Legal Debt Margin	\$7,930,147	\$12,359,315	12,959,521	11,360,525	11,955,851	11,964,133	11,749,336	13,199,148	11,885,230	10,184,996

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit

2015	0.00%	2014	0.00%	2013	0.00%	2012	0.00%	2011	1.47%	2010	2.96%	2009	3.92%	2008	5.70%	2007	8.11%	2006	13.28%
------	-------	------	-------	------	-------	------	-------	------	-------	------	-------	------	-------	------	-------	------	-------	------	--------

**Legal Debt Margin Calculation for Fiscal Year 2014**

Equalized Valuation Basis	
2014	\$393,977,884
2013	398,344,556
2012	411,092,232
	<u>\$1,203,414,672</u>
Average Equalized Valuation of Taxable Property	<u>\$401,138,224</u>
Debt Limit (3 % of Average Equalization Value) Authorized but Not Issued Debt	\$12,034,147
Net Bonded School Debt	4,104,000
	<u>-</u>
Legal Debt Margin	<u>\$7,930,147</u>

Source:  
 Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2014	3,387	N/A	N/A	6.0%
2013	3,401	175,620,838	51,638	6.1%
2012	3,416	174,724,984	51,149	8.9%
2011	3,416	168,992,936	49,471	8.5%
2010	3,412	162,363,432	47,586	8.8%
2009	3,454	163,664,336	47,384	8.3%
2008	3,466	165,529,228	47,758	4.8%
2007	3,487	161,430,665	46,295	3.5%
2006	3,539	157,552,741	44,519	3.9%
2005	3,522	147,938,088	42,004	3.9%

**Source:**

(a) Population information provided by the NJ Department of Labor &amp; Workforce Development

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Department of Labor &amp; Workforce Development

(d) Unemployment data provided by the NJ Department of Labor &amp; Workforce Development

N/A - Information not available.

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

	2015		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Springfield Township School District	55	1	2.80%
Total	55		2.80%
	2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Springfield Township School District	N/A	1	N/A

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

FUNCTION/PROGRAM	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Instruction:</b>										
Regular	32.95	32.95	32.65	23.30	24.30	22.60	21.24	21.90	18.30	19.24
Special Education	-	-	-	5.00	8.30	5.00	5.67	7.10	7.10	8.00
Other Special Education	-	-	-	8.30	5.00	8.50	5.07	1.50	1.50	1.81
Other Instruction	-	-	-	-	-	-	-	-	-	0.63
<b>Support Services:</b>										
Student & Instructional Related Services	5.80	5.80	5.80	3.30	3.30	5.40	8.72	11.00	11.00	8.63
School Administration Services	2.40	2.40	1.90	2.40	3.40	2.30	2.30	2.30	2.30	2.26
General & Business Administrative Services	1.70	1.70	1.70	2.80	0.80	0.60	0.60	1.00	1.00	1.00
Plant Operations & Maintenance	4.10	4.10	4.10	4.50	4.50	4.50	4.50	5.30	5.80	5.61
Pupil Transportation	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00	1.00	0.55
Business & Other Support Services	-	-	-	1.60	1.60	1.10	1.10	1.10	1.10	1.10
Child Care	-	-	-	-	-	-	-	-	-	0.16
<b>Total</b>	<b>47.85</b>	<b>47.85</b>	<b>47.05</b>	<b>52.20</b>	<b>52.20</b>	<b>51.00</b>	<b>50.20</b>	<b>52.20</b>	<b>49.10</b>	<b>48.99</b>

Source: District Records

SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ENROLLMENT	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF	PUPIL / TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE)	AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2015	239	5,129,980	21,464	38.13%	33	1:12	244.66	234.55		95.87%
2014	251	5,018,671	19,995	3.13%	33	1:12	244.66	235.83	-6.73%	96.39%
2013	265	4,731,150	17,853	9.64%	33	1:12	262.3	252.1	-8.86%	96.11%
2012	287	4,673,234	16,283	4.79%	32	1:11	287.8	278.3	-0.55%	96.70%
2011	290	4,506,327	15,539	-19.85%	32	1:09	289.4	278.9	-3.47%	96.37%
2010	300	4,691,157	19,388	7.13%	32	1:11	299.8	287.8	-2.85%	92.80%
2009	309	4,605,446	18,097	5.90%	25	1:11	308.6	296.2	0.75%	92.08%
2008	319	4,756,440	17,089	3.70%	28	1:11	306.3	295.7	-1.26%	90.99%
2007	322	4,469,730	16,480	-0.60%	27	1:12	310.2	296.8	-0.61%	91.45%
2006	324	4,202,871	16,579	6.36%	27	1:10	312.1	310.4	-5.68%	92.36%

Source: District Records

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

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Springfield Township Elementary (1939):										
Square Feet	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320	43,320
Capacity (Students)	432	432	432	433	433	432	432	432	432	432
Enrollment	239	251	265	287	290	300	309	319	322	324
Other Buildings:										
Athletic Building (1979)										
Square Feet	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120

Number of Schools at June 30, 2013:

- Elementary = 1
- Other = 1

**Source:** District Facilities Office

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	TOTAL
* Springfield School	\$ 247,137	\$ 163,647	\$ 138,224	\$ 141,774	\$ 140,202	\$ 96,349	\$ 51,718	\$ 72,624	\$ 92,413	\$ 112,398	\$ 1,256,486

Source: District records

**INSURANCE SCHEDULE  
JUNE 30, 2015**

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

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

(2) National Union Fire Insurance

(3) Selective Insurance Company

Source: District records

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**SINGLE AUDIT SECTION**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090  
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

[www.hfacpas.com](http://www.hfacpas.com)

## EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Springfield Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Springfield Township School District's basic financial statements, and have issued our report thereon dated December 14, 2015.

#### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Public School Accountant  
Certified Public Accountant  
No. 2198

Medford, New Jersey  
December 14, 2015



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

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

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

We have audited the Springfield Township School District’s compliance with the types of compliance requirements described in the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2015. The Springfield Township School District’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the Springfield Township School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a

direct and material effect on major state program occurred. An audit includes examining, on a test basis, evidence about the Springfield Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Springfield Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

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

Management of the Springfield Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Springfield Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular(s) 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Springfield Township School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Public School Accountant  
Certified Public Accountant  
No. 2198

Medford, New Jersey  
December 14, 2015

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**SPRINGFIELD TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	ACCOUNTS RECEIVABLE 2015	DUE TO GRANTOR 2015	MEMO		
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education:</b>												
General Fund:												
Equalization Aid	495-034-5120-078	\$763,643	7/1/14-6/30/15	\$ -	763,643	\$ (763,643)	-	\$ -	-	-(76,274)	\$ 763,643	
Special Education Categorical Aid	495-034-5120-089	159,516	7/1/14-6/30/15	-	159,516	(159,516)	-	-	-	(15,933)	159,516	
Categorical Security Aid	495-034-5120-084	22,191	7/1/14-6/30/15	-	22,191	(22,191)	-	-	-	(2,217)	22,191	
Adjustment Aid	495-034-5120-085	123,590	7/1/14-6/30/15	-	123,590	(123,590)	-	-	-	(12,344)	123,590	
Categorical Transportation Aid	495-034-5120-014	139,769	7/1/14-6/30/15	-	139,769	(139,769)	-	-	-	(13,960)	139,769	
Per Pupil Growth Aid	495-034-5120-097	2,420	7/1/14-6/30/15	-	2,420	(2,420)	-	-	-	(242)	2,420	
PARCC Readiness	495-034-5120-098	2,420	7/1/14-6/30/15	-	2,420	(2,420)	-	-	-	(242)	2,420	
Nonpublic Transportation Aid	100-034-5120-068	2,436	7/1/14-6/30/15	-	-	(2,436)	-	(2,436)	-	-	2,436	
Nonpublic Transportation Aid	100-034-5120-068	2,436	7/1/14-6/30/15	(3,042)	3,042	-	-	-	-	-	-	
On-Behalf TPAF Pension Contribution (Non-Budgeted)	495-034-5095-001	114,613	7/1/14-6/30/15	-	114,613	(114,613)	-	-	-	-	114,613	
On-Behalf TPAF Post-Retirement Medical (Non-Budgeted)	495-034-5095-001	181,947	7/1/14-6/30/15	-	181,947	(181,947)	-	-	-	-	181,947	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	148,775	7/1/14-6/30/15	-	141,527	(148,775)	-	(7,248)	-	-	148,775	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	495-034-5095-002	152,520	7/1/13-6/30/14	(7,520)	7,520	-	-	-	-	-	-	
<b>Total General Fund</b>				<b>(10,562)</b>	<b>1,662,198</b>	<b>(1,661,320)</b>		<b>(9,684)</b>		<b>(121,212)</b>	<b>1,661,320</b>	
Special Revenue Fund:												
NJ Nonpublic Aid:												
Handicapped Services:												
Examination & Classification	100-034-5120-066	1,114	7/1/13-6/30/14	1,114	-	-	-	-	-	(1,114)	-	
Supplemental Instruction	100-034-5120-066	694	7/1/13-6/30/14	694	-	-	-	-	-	(694)	-	
Nursing	100-034-5120-070	2,084	7/1/13-6/30/14	2,084	-	-	-	-	-	(2,084)	-	
<b>Total Special Revenue Fund</b>				<b>3,892</b>				<b>(3,892)</b>				
Capital Projects Fund:												
SDA Grant - Elementary School Improvements	0510-050-14-1001	2,292,362	7/1/14-9/1/16	-	-	(52,490)	-	(52,490)	-	-	-	
<b>Total Capital Projects Fund</b>						<b>(52,490)</b>		<b>(52,490)</b>				
Enterprise Fund:												
National School Lunch Program	100-010-3360-067	1,084	7/1/13-6/30/14	(135)	135	-	-	-	-	-	-	
National School Lunch Program	100-010-3360-067	917	7/1/14-6/30/15	-	815	(917)	-	(102)	-	-	-	
<b>Total Enterprise Fund</b>				<b>(135)</b>	<b>950</b>	<b>(917)</b>		<b>(102)</b>				
<b>Total State Financial Assistance</b>				<b>\$ (6,805)</b>	<b>\$ 1,663,148</b>	<b>(1,714,727)</b>		<b>\$ (3,892)</b>		<b>\$ (62,276)</b>	<b>\$ 1,661,320</b>	
Less: Grants Not Subject to New Jersey OMB Circular 04-04:												
On-Behalf TPAF Pension Contributions	495-034-5095-001	114,613	7/1/14-6/30/15			114,613						
On-Behalf TPAF Post-Retirement Medical	495-034-5095-001	181,947	7/1/14-6/30/15			181,947						
<b>Total State Financial Assistance subject to New Jersey OMB Circular 04-04</b>						<b>\$ (1,418,167)</b>						

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**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. General**

The accompanying schedule of expenditures of state financial assistance include state award activity of the Springfield Township Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**Note 2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. The basis of accounting is described in Note 1 to the Board's basic financial statements.

**Note 3. Relationship to Basic Financial Statements**

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

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*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(114) for the general fund and \$-0- for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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

	<b>State</b>
General Fund	\$1,661,206
Capital Projects Fund	52,490
Food Service Fund	<u>917</u>
Total Financial Assistance	<u>\$1,714,613</u>

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

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

**Note 5. Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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, 2015.

**Note 6. State Loans Outstanding**

The Springfield Township Board of Education had no loan balances outstanding at June 30, 2015.

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015  
Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter(s) 04-04 and/or 15-08?	No

**Identification of major programs:**

GMIS Number(s)	Name of State Program
15-495-034-5120-089	Categorical Special Education Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

None Noted

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter(s) 04-04 and/or 15-08.

No Current Year Findings

**SPRINGFIELD TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular(s) 04-04 and/or 15-08.

**Finding 2013-01:**

**Condition:**

The Treasurer's monthly bank reconciliations were not in agreement with the financial records of the Board Secretary. Also, the Treasurer's cash balance for the general operating account and the payroll agency account were not in agreement with the reconciled cash balances as determined during the audit.

**Current Status:**

This condition has been corrected as of June 30, 2015.